

insufficiently compliant with the FATF Recommendations. This is particularly important where there is no apparent business or logical legal purpose for the business relationship or transaction.

In order to ensure that South Africa complies with Recommendation 12³⁸⁰ in its next round of mutual evaluation, the authorities must expand the ambit of FICA. The FATF provides for a more detailed set of recommendations that South African authorities can adopt in order to comply with Recommendation 12.³⁸¹ This includes covering more accountants as accountable institutions, requiring attorneys to apply the money laundering countermeasures when rendering services beyond those described in FICA and listing dealers in precious stones and metals as accountable institutions.³⁸²

Furthermore, given the important role statistics play in assessing the effectiveness of a country's anti-money laundering regime, it is imperative that South Africa collect data and statistics in a comprehensive manner so as to provide a detailed account of the money laundering investigations, prosecutions, convictions and the special money laundering investigate techniques used by competent authorities.³⁸³

4.2 Concluding Remarks

This study has illustrated that even though South Africa is said to have an overall quality anti-money laundering legislative framework, it requires improvement. The more the South African authorities delay in remedying these critical shortcomings, the bigger the problem of

³⁸⁰ Adopted as Recommendation 22 of the 2012 revised FATF Recommendations.

³⁸¹ Financial Action Task Force 'Mutual Evaluation Report – Anti-Money Laundering and Combating the Financing of Terrorism: South Africa' 26 February 2009 at 165 para 747.

³⁸² Financial Action Task Force 'Mutual Evaluation Report – Anti-Money Laundering and Combating the Financing of Terrorism: South Africa' 26 February 2009 at 165 para 747.

³⁸³ Monetary and Capital Markets Department 'Financial Sector Assessment Programme: South Africa' 2015 *International Monetary Fund* at 22.

money laundering will become. Understandably, money laundering cannot be portrayed as one of the most serious crimes in South Africa that poses an imminent threat to the lives of its citizens. However, just because the money laundering crime does not victimise people directly, does not mean that we should be slow in our actions aimed at combating this problem in the most effective way. Money laundering poses an additional threat to the stability of South Africa's already vulnerable economy. Given the adverse effects that accompany a lack of compliance with the FATF Recommendations and ineffective money laundering control framework, immediate action by South African authorities is warranted.

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