



Financial
Intelligence Centre

Annual Report

Forging a united front against **financial crime**

2025/26



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SUBMISSION OF THE **ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

To the Minister of Finance, Mr Enoch Godongwana, MP

I have the honour of submitting to you the annual report of the Financial Intelligence Centre for the financial year 1 April 2025 to 31 March 2026.



Thabiso Thiti

Director and Accounting Authority

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PART A

GENERAL INFORMATION



FIC GENERAL INFORMATION

Registered name:

Financial Intelligence Centre

Postal address:

Private Bag X177
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0046

Telephone number:

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Website:

www.fic.gov.za

External auditor:

Auditor-General of South Africa

Bankers:

Standard Bank, Pretoria

ABBREVIATIONS AND ACRONYMS

AFU	Asset Forfeiture Unit
AML, CFT and CFP	Anti-money laundering, combating the financing of terrorism and combating the financing of proliferation
ATMS	Automated transaction monitoring system
CCR	Cash conveyance report
CDD	Customer due diligence
CTR	Cash threshold report
DNFBPs	Designated non-financial businesses and professions which includes lawyers; notaries; other independent legal professionals and accountants; trust and company service providers; real estate agents; casinos; dealers in precious metals and dealers in precious stones
DPCI	Directorate for Priority Crime Investigation
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EWG	Expert working group
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre

FIC Act	Financial Intelligence Centre Act, 2001 (Act 38 of 2001)
FinSurv	Financial Surveillance department
FIU	Financial intelligence unit
FSCA	Financial Sector Conduct Authority
GLA Act	General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 2022 (Act 22 of 2022)
GRAP	Generally Recognised Accounting Practice
IAWG: IFFs	Inter-Agency Working Group on Illicit Financial Flows
ICT	Information and communications technology
IFTR	International funds transfer report
IFWG	Intergovernmental Fintech Working Group
ML	Money laundering
MTDP	Medium-Term Development Plan
MoU	Memorandum of understanding
NPA	National Prosecuting Authority
NPCOC	National Priority Crime Operational Committee
NPO	Non-profit organisation

PF	Proliferation financing
PA	Prudential Authority
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
POC Act	Prevention of Organised Crime Act, 1998 (Act 121 of 1998)
POCDATARA Act	Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004)
RMCP	Risk management and compliance programme
SAMLIT	South African Anti-Money Laundering Integrated Task Force
SAR	Suspicious activity report
SARB	South African Reserve Bank
SFC	Shared Forensic Capability
SIU	Special Investigating Unit
STR	Suspicious and unusual transaction report
TF	Terrorist financing
TPR	Terrorist property report
UNSC	United Nations Security Council
VDR	Voluntary disclosure report

FOREWORD BY THE MINISTER

The Financial Intelligence Centre (FIC) is a vital player in South Africa's fight against financial crime. As South Africa's financial intelligence unit, the FIC serves as a critical link between the public and private sphere in the shared task of forging a united front against financial crime.

– Mr Enoch Godongwana, MP, Minister of Finance

The Financial Intelligence Centre (FIC) is a vital player in South Africa's fight against financial crime. As South Africa's financial intelligence unit, the FIC serves as a critical link between the public and private sphere in the shared task of forging a united front against financial crime.

At a time when our country is continuing to restore institutional strength, rebuild credibility and reinforce confidence in its anti-money laundering and combating the financing of terrorism regulatory framework, the role of the FIC has become even more imperative.

South Africa's removal from the Financial Action Task Force (FATF) grey list in October 2025 represented a significant national achievement. Freed from the economic millstone associated with grey listing, the country is better placed to advance growth that is sustainable, resilient and inclusive.

In addressing the country's grey listing the multi-disciplinary National Treasury-led team, made up of regulators, policymakers, law enforcement agencies and members of the financial sector, was single-

minded in restoring confidence in South Africa's financial system, international reputation and global standing. This approach resulted in the country's exit from the grey list in less than three years after FATF identified systemic deficiencies in South Africa's framework for anti-money laundering and combating the financing of terrorism.

Our collective efforts signalled that steady reform, disciplined implementation and effective collaboration across government and the private sector can yield tangible results. The FIC contributed significantly and meaningfully to this national endeavour.

The undertaking also prompted extensive regulatory and institutional changes, strengthening the country's commitment to protecting the integrity of its financial system and tackling corruption and financial crime more effectively.

Legislative and regulatory amendments to the Financial Intelligence Centre Act, which were promulgated in 2022, have broadened the mandate of the FIC and expanded its capacity to detect, monitor and respond to complex financial crime.

Reforms to beneficial ownership transparency have further improved the ability of authorities to identify the natural persons who ultimately own or control legal entities and arrangements.

Policy reforms have also strengthened the operational role of the FIC by introducing enhanced powers to support criminal proceedings and asset forfeiture, broader compliance oversight over additional accountable institutions, information sharing with a wider range of institutions, and the introduction of new reporting streams.

The priority now is to preserve the advances achieved as preparations are under way for the next FATF mutual evaluation. In the next round of the evaluation South Africa will undergo a new joint FATF and regional mutual evaluation which commenced in June 2026 and continues to October 2027.

The FIC will once again play a critical role in preparing government, business and other stakeholders for the assessment of the country's laws, policies and institutional frameworks that make

up the country's regime for anti-money laundering, combating the financing of terrorism and combating the financing of proliferation. The lessons from the whole of government approach will hold South Africa in good stead for the next evaluation.

The value of the FIC's work is also evident in its support to commissions of inquiry and to the broader administration of justice. Its contribution to the commissions underscores the importance of financial intelligence in uncovering complex networks of wrongdoing, tracing the movement of funds, and supporting accountability.

By providing support and information to the Justice Madlanga Commission, while also completing the implementation of recommendations made by the State Capture Commission, the FIC reinforced its key role in combating complex financial crime and ensuring long-term institutional resilience.

Apart from playing a crucial supporting role in addressing these and other national and international priorities, the FIC continues to deliver effectively on its mandate.

Through the development and provision of high-quality, timely and actionable financial intelligence, the FIC helps to identify the proceeds of crime, supports operational decision-making and contributes to policy development.

Through strategic analysis of regulatory reports, sector risk assessments and intelligence shared with domestic and international partners, the FIC is helping to build a more resilient anti-crime system. The organisation's partnership and collaborative approach show what can be achieved when the private sector, law enforcement, public institutions and others work together with clarity of purpose.

Inclusive growth, public trust and economic stability all depend on a financial system that can withstand abuse and operate with integrity. South Africans, investors and businesses need confidence that the country's institutions are equipped to protect the economy from illicit activity.

The FIC is helping to place South Africa on firmer ground by producing actionable intelligence, strengthening co-operation across the financial crime fighting ecosystem and improving the ability of authorities to detect, investigate and respond to complex criminal activity.

It is vital that Government continues to collaborate closely with the private sector and with civic society, to ensure that the country's anti-money laundering system remains effective and fit-for-purpose, as it is our primary interest to ensure that the financial system is not abused by criminals. Ultimately, our responsibility is to ensure that criminals are unable to operate in or find refuge in South Africa.

Given the transnational nature of financial crimes, government is ensuring that South Africa has a robust anti-money laundering system that is equipped for the risks that arise as a result of corruption and the introduction of new technologies. Government recognises the enormous responsibility on our shoulders in playing our role in contributing to the integrity of the South African and global financial system.

I commend the leadership, management and employees of the FIC for their dedication and professionalism. Their efforts continue to strengthen the integrity of our financial system and support our broader national objective of building a more resilient and prosperous South Africa.

I extend a special thank you to Pieter Smit, who took up the role as Acting Director of the FIC from September 2023 to April 2026.

I welcome Thabiso Thiti as he takes over the reins as Director at a critical juncture for the organisation and the country.



Mr Enoch Godongwana, MP
Minister of Finance

DIRECTOR'S OVERVIEW

Together, we will continue to build on the FIC's established strengths and work to ensure that the organisation remains a trusted and effective institution in protecting South Africa's financial system and advancing the national interest.

– Thabiso Thiti, Director

The work of the Financial Intelligence Centre (FIC) often goes unheralded as the institution is primarily a catalyst and support for action rather than a protagonist in the broader criminal justice system.

Yet, the FIC's impact is evident and tangible in South Africa's anti-crime efforts. Its work is reflected in commissions of inquiry, efforts to exit the grey list, legislative reform, the broader fight against financial crime, and other measures that make South Africa safer for all.

The 2025/26 FIC annual report highlights some of these achievements through case studies that demonstrate collaboration between business and the justice, crime prevention and security cluster. The report details the FIC's activities over the past year and serves as a stocktake of areas that require improvement if the institution is to deliver fully on its mandate and commitment to public service.

The FIC is acutely aware of the corrosive impact of financial crime on the South African economy, on industry, on individual businesses and, most importantly, on communities. These harms are reflected in the information received through regulatory reports from accountable institutions and in requests for intelligence from law enforcement partners.

Commissions of inquiry, daily news reports and matters in court continue to show how money from the public purse is siphoned for personal gain, diverting it from community and infrastructure upliftment and development. The illicit economy and financial crime are not victimless.

Extortion groups hold citizens and business hostage, withholding basic services such as water and electricity, and stall or cancel construction and other community development initiatives. Illicit mining devastates the environment, fuels violent crime and exploits the most vulnerable. At the same time, organised crime has infiltrated many spheres of society, corrupting even those entrusted to uphold the rule of law.

Introspection and renewal

This makes for sober reading. The FIC has played a significant role in supporting the work of both the Zondo and Madlanga commissions.

During the year, the FIC provided financial intelligence that assisted the Judicial Commission of Inquiry into Criminality, Political Interference and Corruption in the Criminal Justice System (Madlanga Commission) to uncover complex organised crime networks and strengthen accountability. The FIC analysed financial flows, identified illicit wealth and uncovered money laundering networks linked to corrupt officials and syndicate members.

The Judicial Commission of Inquiry into Allegations of State Capture (Zondo Commission) laid bare weaknesses in South Africa's criminal justice system. The FIC was also not spared scrutiny by former Chief Justice Raymond Zondo and was itself directed to complete a review into deficiencies relating to its mandate.

Following the Zondo Commission, an independent review was conducted of the FIC's regulatory reporting regime, reporting by banks and subsequent referrals made to law enforcement.

The FIC submitted an Independent Review Report, together with a remedial action plan, to the Presidency on 16 July 2025. All action items in the plan were addressed, and a close-out report was submitted to the Presidency by 31 March 2026.

As the country continues to grapple with the extent of systemic state capture, the FIC remains committed to honest introspection so that it can respond more effectively to large-scale corruption and the illicit economy in future.

South Africa's removal from the Financial Action Task Force's (FATF's) grey list in October 2025 reinforces the view that gaps in the country's financial crime framework are being closed.

Exiting the grey list in under three years after FATF identified deficiencies in South Africa's anti-money laundering and terrorist financing regime is a testament to the country's ability to rally around a common objective.

Government departments, entities and agencies across the public sector as well as the private sector all shared a stake in achieving this milestone. They now also shoulder the responsibility of ensuring that the country does not return to the grey list.

South Africa is currently preparing for the next joint FATF-Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) mutual evaluation between June 2026 and October 2027. In this next round of evaluations, the anti-money laundering, counter-terrorist financing and counter-proliferation financing framework will again be subjected to close scrutiny.

We enter this evaluation better prepared as further reforms are introduced to the legislative framework to address outstanding deficiencies identified during the FATF enhanced follow-up and grey listing process.

Overview of strategy and performance

Delivering on its mandate, the FIC equips and supports South Africa's law enforcement, the revenue service, intelligence services and prosecutorial authorities in their investigations, prosecutions, and applications for forfeiture of criminal assets.

In implementing its strategic and annual performance plan during the 2025/26 financial year, the FIC achieved 86 percent of its 22 performance targets while carrying out its mandate to:

- Identify the proceeds of crime
- Assist in combating money laundering
- Assist in combating the financing of terrorism

- Assist in combating the financing of proliferation of weapons of mass destruction
- Supervise non-financial accountable institutions, as well as some other institutions
- Produce forensic evidence pertaining to the flow of financial transactions.

Over the past year, the FIC produced 4 194 financial intelligence reports, as well as forensic products relating to the flow of financial transactions. These interventions contributed to the recovery of close to R37.5 million in criminal proceeds, while R34.2 million was blocked as suspected proceeds of crime.

The financial intelligence produced by the FIC has little value unless it can be turned into evidence or is used by law enforcement partners and other competent authorities. Importantly, the FIC does not itself conduct investigations. The FIC therefore stepped up efforts to improve the exchange of information and the uptake of its products and services.

These efforts have yielded results. Reactive reports delivered on request from law enforcement and other competent authority partners rose by 28 percent over the past five years, from 2 300 in 2021/22 to 2 948 in 2025/26.

The rise in demand also reflects strengthened relationships and deeper collaboration through public-public partnerships such as the Reformed

Fusion Centre, the Anti-Financial Crime Coalition, the Inter-Agency Working Group on Illicit Financial Flows, various memoranda of understanding and other co-operative mechanisms.

In addition, the FIC is improving the quality, reliability, usefulness and accuracy of information received from accountable institutions and other businesses through working relationships with key private sector partners such as banks and the supervisory bodies. This takes place through day-to-day operations and through the work of the South African Anti-Money Laundering Integrated Task Force, a public-private partnership.

The FIC forges anti-crime partnerships and collaborations across a range of stakeholders including government departments and entities, the private sector, regulatory bodies, non-governmental organisations, regional organisations, law enforcement agencies, and international financial intelligence units

- Government institutions and groups involved in the criminal justice system, law enforcement, prosecutorial authorities, the Financial Sector Conduct Authority, South African Revenue Service, and South African Reserve Bank and other competent authorities.
- Accountable institutions as listed in Schedule 1 to the FIC Act.

- Regulatory bodies such as the Legal Practice Council, the Property Practitioners Regulatory Authority, the provincial gambling licensing authorities, the South African Diamond and Precious Metals Regulator, and the National Credit Regulator.
- The Inter-Agency Working Group on Illicit Financial Flows, whose aim is to limit money flowing illicitly out of the country.
- The South African Anti-Money Laundering Integrated Task Force, a FIC-led public-private partnership of domestic and foreign banks registered in South Africa, banking industry representatives and regulatory authorities, that share financial information and build expertise to help expedite solving of financial crime.
- The FIC-hosted multi-agency Reformed Fusion Centre, which deals with matters related to corruption and money laundering.
- The FIC-led Asset Recovery Hub which, under the auspices of the Anti-Financial Crime Coalition, is made up of the FIC, the Directorate for Priority Crime Investigation, the National Prosecuting Authority, the Asset Forfeiture Unit, and the National Prosecuting Service. The partners in the Asset Recovery Hub help fast-track matters towards asset recovery where the risk of assets being dissipated is high.
- The Intergovernmental Fintech Working Group, which focuses on financial technology developments and their regulatory and policy implications for the financial sector and the economy.

- The Eastern and Southern Africa Anti-Money Laundering Group, which promotes the formulation of policies on the prevention of money laundering and terrorist financing in the region.
- Global bodies engaged in combating money laundering, the financing of terrorism and proliferation financing, such as the Egmont Group of Financial Intelligence Units, and the Financial Action Task Force.
- The Organisation for Economic Co-operation and Development Foreign Bribery Working Group, in which the FIC provides support on foreign bribery cases investigated by South African authorities.

The FIC also has 103 memoranda of understanding in place with foreign financial intelligence units to facilitate and optimise the timeous sharing of information, and 48 with domestic institutions to support information exchange in the fight against financial crime.

A compliant business community

A business community that fully complies with anti-money laundering, counter-terrorist financing and counter-proliferation financing requirements is pivotal in combating illicit financial flows, organised crime, money laundering and terrorist financing.

All accountable institutions must comply with all requirements of the FIC Act, including the requirement to register with the FIC. Registration with the FIC enables accountable institutions to submit financial intelligence reports.

On 31 March 2026, there were 60 115 institutions and other reporters registered on the FIC database (2024/25: 55 262), representing an 8.8 percent increase from the previous year.

The FIC's supervision purview expanded significantly at the end of 2022 with legislative changes to the Schedules to the FIC Act. As a result, the FIC took up the responsibility of supervising designated non-financial businesses and professions (DNFBPs).

The FIC now supervises more than 80 percent of the total number of accountable institutions registered on its database, with the SARB and FSCA supervising the balance.

Overseeing more than 60 000 institutions has required a radical shift, with the FIC adopting and embedding risk-based supervision. Entities at higher risk of being abused for money laundering and terrorist financing are identified through a self-assessment questionnaire submitted by accountable institutions.

Higher-risk institutions are identified for inspections and reviews with the aim of raising the level of compliance with their FIC Act obligations. A total of 549 risk-based inspections were conducted during the financial year.

General financial review and spending trends

The FIC is funded from the national budget with funds voted as part of the National Treasury budget. For the 2025/26 financial year, the FIC had an approved budget of R480.9 million (2024/25: R400.9 million).

Capacity constraints and challenges

The FIC continued to deliver on its mandate during the period under review despite challenges with the recruitment of specialist skills and the retention of critical staff due to competitiveness of the skills market.

Human capital

The FIC appointed 52 employees during the year under review, with the workforce complement standing at 273 on 31 March 2026 (2024/25: 275).

Employee retention remains a continuous concern, with turnover rising to 15 percent during the year under review, compared with 11 percent in the 2024/25 financial year.

At the centre of the FIC's continued effectiveness are its people, and the institution must stem the unacceptably high attrition rates. This requires attention to the conditions that enable employees to do their best work. It also includes strengthening accountability, creating space for constructive engagement, investing in learning and development, improving retention, and fostering a culture in which employees feel valued, supported and connected to the institution's mission.

Technology enhancements

The FIC receives and processes vast amounts of data and to this end, is expanding its use of artificial intelligence and machine learning.

After successful tests during the year, the organisation is set to exploit these technologies to extract greater value from the data to improve analysis and produce high-value financial intelligence products within shorter timeframes.

The FIC also successfully completed a complex overhaul of its registration and reporting platform in partnership with stakeholders across accountable and reporting institutions. The upgrade has enhanced the FIC's capabilities and improved data quality, analytical depth and user experience.

Audit report matters

The FIC relies on good corporate governance to deliver on its mandate and received an unqualified audit opinion with no material findings for the 2025/26 financial year.

Supply chain management

Supply chain management processes and systems of the FIC comply with the required Regulations and Practices in the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as National Treasury regulations. These policies and procedures are in place to ensure that the FIC procures goods and services in a fair, competitive, transparent and equitable manner.

New or proposed key activities

No new or proposed key activities were reported in the year under review.

Discontinued key activities / activities to be discontinued

No activities were discontinued during the year under review.

Events after the reporting date

The FIC is not aware of any events after the reporting date of 31 March 2026, which are likely to have a material impact on the FIC's financial results or operations.

Economic viability

The FIC derives its income from the national budget, with funds voted as part of the National Treasury budget. This source of income, good corporate governance and financial management, and capable leadership ensure the entity's financial viability.

Acknowledgements and appreciation

The FIC executive team and employees are commended for their professionalism, integrity and expertise over the past financial year. Together, we will continue to build on the FIC's established strengths and work to ensure that the organisation remains a trusted and effective institution in protecting South Africa's financial system and advancing the national interest.



Thabiso Thiti

Director and Accounting Authority
Financial Intelligence Centre

30 July 2026

FINANCIAL YEAR HIGHLIGHTS

IN MEETING ITS MANDATE,
THE FIC ACHIEVED THE FOLLOWING IN 2025/26:



86 percent

Of 22 performance targets
achieved and/or exceeded



R37.5 million

Contributed to the recovery
of close to R37.5 million in
criminal proceeds



R34.2 million

Blocked as suspected
proceeds of crime



4 194

Proactive and reactive
reports produced



142

High-priority financial
intelligence reports issued



140

Illicit financial flows
reports produced



49

Awareness initiatives
conducted



160

Compliance review
reports completed



Clean audit

Clean audit retained

STATEMENT OF RESPONSIBILITY AND **CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT**

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The annual financial statements (Part F) have been prepared in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board and applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2026.

Yours faithfully



Thabiso Thiti
Director

30 July 2026



CASE STUDY

Illegal wildlife trade involving the harvesting of abalone

The FIC received a request to assist with an investigation into an ongoing project relating to illegal wildlife crime, specifically the harvesting of abalone. One subject was identified.

The FIC was required to identify transactions from the main target's bank account to the subject's account or accounts.

Regulatory reports were filed with the FIC, noting irregular transactions associated with the subject's bank accounts.

Through analysis of the bank statement, the FIC established that the subject was transacting with the main target of the investigation and was sending and receiving funds from the target's bank account.

The FIC compiled a report setting out the information identified and shared financial intelligence with law enforcement. The matter remains under investigation.

STRATEGIC OVERVIEW

STRATEGIC OVERVIEW

VISION

To be a highly capable public entity that produces financial intelligence for making South Africa's financial system intolerant to abuse.



MISSION

The FIC promotes increasing levels of compliance with the FIC Act in an efficient and cost-effective manner, enabling it to provide high quality, timeous financial intelligence for use in the fight against crime and the protection of national security.



VALUES

The FIC seeks to achieve its mandate through the employment of capable employees who are committed to the highest standards of excellence and professional service delivery in the fulfilment of their responsibilities.



The FIC strives to:

- Demonstrate integrity, respect, honesty, trust, humility and loyalty in everything that we do
- Conduct our work with pride and discipline, accepting accountability and being prepared to 'go the extra mile'
- Strive for excellence and professionalism – not only identifying problems but also providing solutions
- Value individual staff and provide space for creativity and growth
- Maintain strong relationships with stakeholders and partners
- Ensure the security of organisational assets and information.

LEGISLATIVE AND OTHER MANDATES

The FIC is a statutory body established to give effect to the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

The FIC is listed as a Schedule 3A public entity according to the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA).

The FIC Act works in tandem with the following Acts:

- Prevention of Organised Crime Act, 1998 (Act 121 of 1998) (POC Act)
- Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004) (POCDATARA Act)
- South African Police Service Act, 1995 (Act 68 of 1995) (SAPS Act)
- Intelligence Services Act, 2002 (Act 65 of 2002) (IS Act)

The FIC Act places obligations on financial institutions and other business (as listed in Schedule 1 of the Act) to assist in counteracting money laundering, the financing of terrorism, and financing of the proliferation of weapons of mass destruction. The POC Act criminalises money laundering and provides for the confiscation and forfeiture of the proceeds of crime. The POCDATARA Act provides measures to counter the financing of terrorism.

Objectives of the Financial Intelligence Centre

The FIC Act established the FIC to assist in:

- Identifying the proceeds of unlawful activities.
- Combating money laundering activities and the financing of terrorism and related activities.
- Initiating analysis based on information in its possession or information received other than by means of reports.
- Identifying persons involved in money laundering activities, terrorist financing and related activities and proliferation financing activities.
- Implementing financial sanctions in terms of resolutions adopted by the United Nations Security Council, including requiring accountable institutions to freeze property and transactions in terms of these sanctions.
- Sharing information with investigating authorities, including the National Prosecuting Authority, law enforcement agencies, intelligence services, office of the Public Protector, the investigative division of the Auditor-General of South Africa, the South African Revenue Service and supervisory bodies.
- Producing forensic evidence based on the flow of financial transactions.
- Exchanging information with relevant bodies in other countries regarding money laundering and the financing of terrorist activities.
- Facilitating effective supervision and enforcement by supervisory bodies.

The FIC Act introduced a regulatory framework of compliance control measures requiring certain categories of business (defined as accountable institutions in Schedule 1 to the FIC Act) to fulfil the following compliance obligations:

- Implement a risk-based approach to customer due diligence including aspects such as ongoing due diligence, enhanced due diligence, screening for domestic and foreign politically exposed persons and establishing the beneficial ownership in legal structures.
- Develop a risk management and compliance programme.
- Keep records of customers' information and transactions.
- Adhere to the governance obligations as outlined in the FIC Act.
- Undertake business risk assessments for money laundering, terrorist financing and proliferation financing.
- Train employees on how to comply with the FIC Act and their institution's risk management and compliance programme.
- Register with the FIC.
- Submit to the FIC regulatory reports relating to i) suspicious and unusual transactions, ii) cash transactions exceeding the prescribed threshold, iii) property that is linked to sanctioned persons and entities, terrorist activity or terrorist organisations, and iv) electronic cross-border transfers of funds.

The FIC Act assigns certain roles, responsibilities and powers to supervisory bodies to support the objectives of combating money laundering and combating the financing of terrorism and related activities.

Supervisory bodies are responsible for ensuring that the accountable institutions in the business sectors under their supervision comply with FIC Act requirements. For example, the South African Reserve Bank's Prudential Authority is the supervisory body for the banking sector. This means SARB conducts inspections to assess the banking sector's compliance with the FIC Act and helps banks comply with the regulations.

The FIC supervises and enforces compliance by designated non-financial businesses and professions, and other persons not supervised by a supervisory body in terms of the FIC Act.

To achieve its objectives, the FIC must carry out the following functions:

- Process, analyse, interpret, and retain information disclosed to and obtained by the FIC
- Initiate analysis where appropriate, based on information in its possession

- Inform, advise, co-operate with, and make its financial intelligence products available to investigating authorities, supervisory bodies, intelligence services, and other competent authorities to facilitate the country's administration and enforcement of laws
- Exchange information with similar bodies in other countries
- Monitor and give guidance to accountable institutions, supervisory bodies and individuals regarding their compliance with the FIC Act
- Provide information and guidance to accountable institutions in meeting requirements to freeze property and transactions related to the resolutions of the UNSC
- Supervise and enforce FIC Act compliance with affected institutions that are not supervised by a supervisory body or where the supervisory body is unable to act
- Implement a registration system for all affected institutions and individuals
- Annually review the implementation of the FIC Act and submit a report, which includes information that demonstrates the implementation of the Act, to the Minister of Finance.

In executing its mandate, the FIC seeks to:

- Protect the integrity of the financial system by making it more difficult for criminals to hide their illicit proceeds and block the accumulation of resources for the financing of terrorism.
- Develop policy options for the Minister of Finance based on an assessment of the available financial intelligence.
- Contribute to the global framework against money laundering and the financing of terrorism.

By identifying the proceeds of crime and assisting in combating money laundering and the financing of terrorism, the FIC fulfils its primary role of protecting the integrity of South Africa's financial system and making it intolerant to abuse.

The FIC Act places obligations on financial institutions and other business (as listed in Schedule 1 of the Act) to assist in counteracting money laundering, the financing of terrorism, and financing of the proliferation of weapons of mass destruction.

Institutions required to register with the FIC

The FIC Act requires all accountable institutions to register with the FIC. An accountable institution is an individual or an institution that, by virtue of the business it conducts, falls within the ambit of Schedule 1 of the FIC Act. Listed below are the accountable institutions and their item numbers, as per Schedule 1 of the FIC Act:

SCHEDULE 1 ITEMS

01 → Legal practitioners (including attorneys, conveyancers, notaries, advocates practising with a trust account, commercial legal practices)

02 → Providers of specifically mentioned services to trusts and companies, including accountants in so far as these services are provided

03 → Estate agents. Although the Property Practitioners Act, 2019 (Act 22 of 2019), which came into effect on 1 February 2022, refers to property practitioners, encompassing a wider definition of property professionals. Only estate agents as defined in the Estate Agency Affairs Act, 1976 (Act 112 of 1976) currently fall within the ambit of the FIC Act as accountable institutions

04 → Authorised users of an exchange (as defined in the Financial Markets Act, 2012 (Act 19 of 2012))

05 → A manager registered in terms of Collective Investment Schemes Control Act, 2002 (Act 45 of 2002) (unit trusts)

06 → Business of a bank, as defined in the Banks Act, 1990 (Act 94 of 1990)

07 → A mutual bank, as defined in the Mutual Banks Act, 1993 (Act 124 of 1993)

7A → A co-operative bank as defined in the Co-operative Banks Act, 2007 (Act 40 of 2007)

08 → A person who carries on life insurance business, as defined in the Insurance Act, 2017 (Act 18 of 2017)

09 → A person who carries on the business of making available a gambling activity as contemplated in section 3 of the National Gambling Act, 2004 (Act 7 of 2004)

10 → Foreign exchange dealers

11 → Credit providers

12 → Financial services providers requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002, except those conducting such business in respect of non-life, medical scheme business and re-insurance business

13 → A person who issues, sells or redeems travellers' cheques, money orders or similar instruments

14 → The South African Postbank Limited

19 → A person who carries on the business of a money or value transfer provider

20 → Dealers in high-value goods where any transaction is equal to or more than R100 000 per item, whether the payment in any form, is made in a single or in multiple operations that appear to be linked

21 → The South African Mint Company, to the extent that it distributes non-circulation coins in retail trade and where in respect of such transactions it receives payment in any form to the value of R100 000 or more

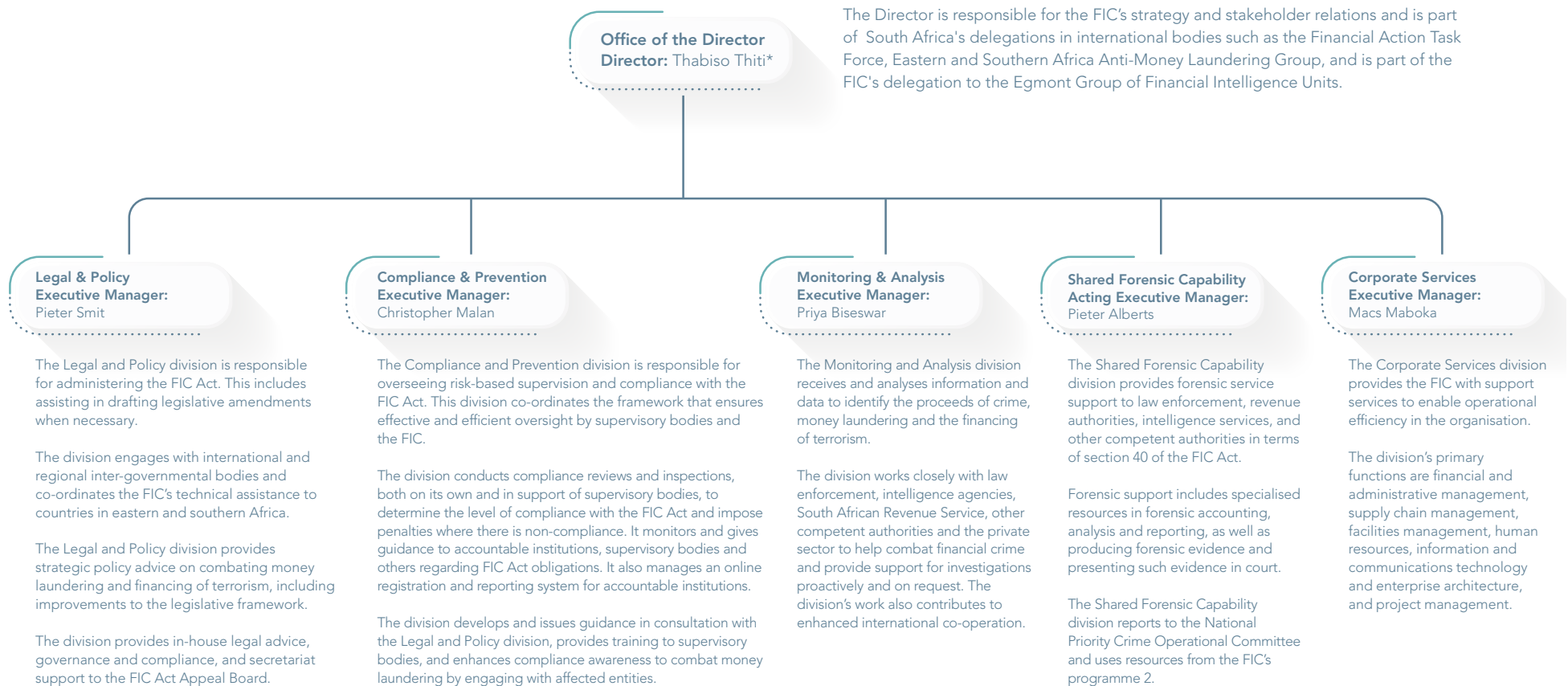
22 → Providers of crypto assets, including exchanges providing services relating to crypto assets

23 → A clearing system participant, as defined in the National Payment System Act, 1998 (Act 78 of 1998)

Note: A group of companies or a legal entity may contain more than one accountable institution. Conglomerates must ensure that all accountable institutions, based on the activity they conduct in the group, are registered with the FIC.

ORGANISATIONAL STRUCTURE

The FIC is a statutory body that operates outside the public service, but within the public administration, as envisaged in section 195 of the Constitution. The Director of the FIC, who is also the Accounting Authority, reports directly to the Minister of Finance and to Parliament.



*Note: Appointed 15 April 2026

Figure 1: FIC organisational structure

PART B

PERFORMANCE INFORMATION



AUDITOR-GENERAL'S REPORT: **PREDETERMINED OBJECTIVES**

The audit conclusion of the Auditor-General of South Africa on the FIC's performance against predetermined objectives is in Part F of this report.

OVERVIEW OF **PUBLIC ENTITY'S PERFORMANCE**

2.1. SERVICE DELIVERY ENVIRONMENT

Overview of the external context within which the public entity operated

During the year under review, the FIC was able to implement its strategic plan and annual performance plan and deliver fully on its mandate. The context within which the FIC operated was characterised by trying socio-economic conditions prevailing nationally.

Socio-economic conditions:

After years of stagnation, South Africa's economy showed notable expansion and resilience over the 2025/26 reporting period. Statistics South Africa reported that the country's economy had grown by 1.1 percent over the 2025 calendar year.

South Africa's removal from the FATF grey list also served to reduce risk premiums, while the credit rating upgrade by S&P Global Ratings added a further vote of confidence in the country's fiscal reforms.

These gains were tempered by the outbreak of conflict in the Middle East resulting in rising fuel prices which impacted both growth and inflation.

External developments and/or challenges that may have impacted on the demand for the FIC's services or on the ability to deliver those services

Mutual evaluation:

FATF announced on 24 October 2025 that it had delisted South Africa from increased monitoring (grey list), after concluding that South Africa had largely addressed the 22 action items in the Action Plan that was adopted at the time of South Africa's grey listing to address the strategic deficiencies in its regime for anti-money laundering and the combating of the financing of terrorism (AML and CFT). The FIC and other government partners will be looking to consolidate the gains made in completing the action plan and continue the trajectory of improved effectiveness in the implementation of AML and CFT measures as South Africa will be undergoing a next round of joint FATF and regional mutual evaluation between June 2026 and October 2027.

Increasing crime:

The level of financial and commercial crime remained high and evolving throughout the period under review. Increasing crime underlines the importance of the FIC's role in the fight against financial crime by providing financial intelligence

and support to law enforcement agencies. It also means that the demand for FIC's services may increase.

Other developments:

There were no other significant external developments that affected the FIC.

2.2. ORGANISATIONAL ENVIRONMENT

Funding:

The FIC was able to deliver on its Strategic Plan and Annual Performance Plan, by not only meeting, but exceeding several of its performance targets, in the face of budgetary constraints. The FIC achieved or exceeded 19 of its 22 performance targets in 2025/26.

Challenges:

The FIC's overall operating environment was positive throughout the reporting period as it continued to optimise the effectiveness and efficiency of its business processes, its allocated budget, ICT system and general operations. Funding, recruitment of specialist skills and employee attrition rates remain organisational challenges. To remedy these challenges, the FIC has in place several strategies and frameworks.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The FIC provides financial intelligence reports to law enforcement agencies and other competent authorities for use in the fight against crime and the protection of the integrity of South Africa's financial system.

The FIC is guided by four strategic outcomes in its work to realise its vision, mission and values:

- Enhanced compliance with the FIC Act
- Improved production and utilisation of financial intelligence reports and services to assist in the identification and combating of crime
- Continuous improvement in the effectiveness of legal and institutional AML and CFT frameworks
- Good corporate governance and an efficient and effective operating environment that supports the FIC in delivering on its mandate.

During the financial year, the FIC made progress towards achieving its five-year targets in relation to the outcome indicators, as outlined in the FIC Strategic Plan 2025/26-2029/30.

The FIC continued to enhance compliance with the FIC Act through maintaining the registration of accountable institutions. On 31 March 2026, there were 60 115 institutions and other reporters registered with the FIC.

Registration is a legal requirement for accountable institutions listed under Schedule 1 of the FIC Act. This provides the FIC with the details of its regulated environment, making it possible to reach registrants when necessary to, for example, request information, and to hold them accountable for compliance, including their reporting obligations.

The FIC produced a total of 4 194 proactive and reactive reports that directly contributed to the recovery of close to R37.5 million in criminal proceeds. The total number of reports produced included 140 specifically on illicit financial flows.

To continue improving the effectiveness of legal and institutional AML and CFT frameworks, the FIC participated in eight regional and inter governmental policy-making meetings, two ESAAMLG meetings and six FATF meetings.

3.1. CONTRIBUTION TOWARD THE MEDIUM-TERM DEVELOPMENT PLAN

The Medium-Term Development Plan (MTDP) 2024-2029, which is government's programme for the transformation and development of South Africa, replaces the Medium-Term Strategic Framework (MTSF) 2019-2024.

The MTDP is geared towards sustainable, rapid economic growth and the removal of growth-limiting obstacles. The plan outlines the actions to build state capacity and create a professional and ethical public service. It prioritises the strengthening of law enforcement agencies to address crime, corruption and gender-based violence and to reinforce national security capabilities.

The FIC's work contributed to three of the seven national priorities of South Africa as identified in the National Development Plan: A capable, ethical and developmental state; Social cohesion and safe communities; and A better Africa and world.

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. BUDGET PROGRAMME 1: ADMINISTRATION PURPOSE

This budget programme provides strategic leadership and services to internal users to ensure that the organisation is managed efficiently, effectively, and in an economical manner.

Strategic outputs

Administration-related objectives can be traced within the objectives and targets that are set in the other two FIC budget programmes.

4.2. BUDGET PROGRAMME 2: DELIVERY OF INTELLIGENCE ON FINANCIAL CRIME AND FIC ACT- RELATED REGULATORY SERVICES

This programme consists of three sub-programmes that are directly linked to strategic outcomes 1, 2 and 3.



CASE STUDY

Narcotics

The FIC assisted law enforcement by providing bank account information on individuals and their related entities to help identify accounts used to launder proceeds of crime arising from the distribution of narcotics.

Individuals were arrested after law enforcement discovered a large quantity of cocaine, illegal firearms and ammunition on their premises. The individuals could be linked to drug trafficking with suspected ties to an international cartel and Colombian cocaine suppliers.

The FIC analysed an identified bank account, which showed suspicious transactions. One of the individuals was a monthly salary earner, but the inflows and outflows were not in line with that individual's profile.

The individuals applied for bail, which the state opposed. The investigation remains ongoing.

SUB-PROGRAMME 2.1:

Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on enhancing compliance with the FIC Act

Purpose

The sub-programme provides guidance and awareness to accountable and reporting institutions and monitors the supervision by supervisory bodies of their responsibilities under relevant legislation. It focuses on enhancing compliance with the FIC Act through several key activities:

- Information gathering and reporting
- Risk-based supervision to compliance management and oversight
- Carrying out administrative actions relating to non-compliance with the FIC Act.

Strategic outputs

Sub-programme 2.1 contributes to the following institutional outcomes:

- Awareness of the FIC Act
- Supervision of the FIC Act
- Enforcement of the FIC Act.

Performance

During 2025/26, the FIC exceeded one and met two of the four targets under this sub-programme. Highlights for the year include:

- Presenting 49 compliance awareness events, attracting 14 077 attendees
- Meeting the targeted number of risk-based compliance review reports issued
- Achieving 100 percent success rate in matters referred for administrative sanctions.



CASE STUDY

Unlawful investment scheme (Ponzi scheme)

The FIC received information from the Financial Sector Conduct Authority (FSCA) regarding an unlawful investment scheme in which clients invested funds and lost them or received very little return. The scheme was marketed through deepfake videos of prominent figures, including Elon Musk.

FSCA provided information on the unlawfulness of the investment scheme, after which the FIC obtained bank records for analysis. Analysis of the four implicated accounts revealed rounded credit amounts with alphanumeric references that indicated investment activity. The funds were then distributed to other accounts held in the company's name, which supported the allegations made by the FSCA.

The FIC secured funds through section 34 interventions under the FIC Act, amounting to R6 209 676.29 across four accounts identified through analysis, and deposited to an affidavit in support of a successful Prevention of Organised Crime Act preservation order.

Table 1: Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.1

Outcome	Outputs	Output indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement 2025/26	Reasons for deviations
Enhanced compliance with the FIC Act	Outreach and awareness of the FIC Act.	1.1.1 Number of risk and compliance awareness initiatives conducted.	48	46	48	49	1	Target exceeded due to an additional, unscheduled awareness session hosted in a major regional hub during the second round of roadshows.
	Monitoring of the FIC Act.	1.2.1 Number of risk-based compliance review reports issued.	129	157	160	160	0	Target achieved.
	Risk-based inspections in terms of the FIC Act.	1.3.1 Number of FIC risk-based inspection reports issued.	558	556	550	549	(1)	Target underachieved by one report due to late-quarter operational capacity constraints affecting inspection finalisation timelines.
	Enforcement of the FIC Act.	1.4.1 Percentage success rate of matters referred for administrative sanctions.	100%	100%	100%	100% (28/28)	0	Target achieved.

Registration of accountable institutions

The Financial Intelligence Centre Act (FIC Act) requires all accountable institutions to register with the FIC and meet certain regulatory obligations which serve as the building blocks to South Africa's anti-money laundering, combating the financing of terrorism and combating the financing of proliferation (AML, CFT and CFP) regime.

Operating at the heart of the transaction environment, businesses are the first line of defence in the fight against financial crime. By actively monitoring, screening, and assessing the origin and flows of funds, accountable institutions assist law enforcement to detect money laundering, fraud, and terrorist financing.

The FIC proactively lobbies accountable institutions to cultivate a culture of compliance with the AML, CFT and CFP regulations, thereby helping to combat illicit financial flows, organised crime, money laundering, and terrorist financing.

All accountable institutions must comply with all requirements of the FIC Act, including the requirement to register with the FIC. Registration enables accountable institutions to submit financial intelligence reports and receive correspondence and notices relating to reporting and compliance from the FIC. On 31 March 2026, 60 115 institutions and other reporters registered on the FIC database (2024/25: 55 262) representing an 8.8 percent increase from the previous year.

Legislative changes to the FIC Act Schedules that came into effect from 19 December 2022 markedly expanded the FIC's supervision purview. Due to the amendments, the FIC was tasked with supervising and enforcing FIC Act compliance for AML, CFT and CFP of all the DNFBPs (designated non-financial businesses and professions). DNFBPs comprise legal practitioners, trust and company service providers (including accountants), estate agents, gambling institutions, dealers in precious stones and metals (including Kruggerand dealers), and other high-value goods dealers.

The legislative changes resulted in the removal of the DNFBP supervisors, with the FIC taking over the FIC Act supervision of these and new sectors included in the regime. The FIC now supervises more than 80 percent of the total number of accountable institutions registered on its database with the SARB and FSCA supervising the balance of registrants.

INFO BLOCK

What is money laundering, terrorist financing and proliferation financing

- **Money laundering** is the process that criminals use to launder their funds so that the proceeds they have acquired from illicit (illegal) activities appear to be legitimate.
- The **financing of terrorism** involves the solicitation, collection and the providing of funds and other assets with the intention that it may be used to support terrorist acts, terrorist organisations or individual terrorists. The funds and assets may stem from both legal and illicit sources. The primary goal of persons involved in the financing of terrorism is not to conceal the sources of the funds and assets, as with money laundering, but to conceal both the financing and the nature of the activity being financed.
- **Proliferation financing** includes any activity which has or is likely to have the effect of providing property, a financial or other service or economic support to a non-state actor, that may be used to finance the manufacture, acquisition, possession, development, transport, transfer or use of nuclear, chemical or biological weapons and their means of delivery. Also, this may include any activity which constitutes an offence in terms of section 49A of the FIC Act.

The regulatory obligations for all accountable institutions include:

- Registration with the FIC
- Implementing a risk-based approach to customer identification, verification and due diligence
- Undertaking business risk assessments for AML, CFT and CFP
- Maintaining and implementing a risk management and compliance programme
- Filing regulatory reports relating to suspicious and unusual transactions, cash transactions exceeding the prescribed threshold and on property that is linked to sanctioned persons, terrorist activity or terrorist organisations and international funds transfers
- Appointing a compliance officer
- Training employees on FIC Act compliance and AML, CFT and CFP risk exposure.

Table 2: Institutions registered with the FIC

Item no	Schedule 1: Item description	Total registered institutions at 1 April 2025	Total registered institutions at 31 March 2026
1	Legal practitioners	19 305	21 034
2	Trust and company service providers	2 113	2 574
3	Estate agents	9 162	9 695
4	Authorised users of an exchange	157	162
5	Collective investment schemes managers	73	76
6	Banks	36	37
7	Mutual banks	12	5
7A	Co-operative banks	5	12
8	Life insurers	186	206
9	Gambling institutions	4 455	4 676
10	Foreign exchange dealers	213	219
11	Credit providers	2 082	2 697
12	Investment advisors or intermediaries	10 094	10 385
13	Issuers of travellers' cheques and money orders	111	112
14	The South African Postbank	2	2
15*			
16*			
17*			
18*			
19	Money or value transfer service providers	239	257
20	High-value goods dealers	5 184	5 581
21	The South African Mint Company	1	1
22	Crypto asset service providers	287	362
23	Clearing system participants	37	43
	Business entities with reporting obligations in terms of section 29 of the FIC Act	1 304	1 553
	Individual reporting entity	118	307
	Voluntary disclosure reporters	86	119
Grand total		55 262	60 115

* Items 15, 16, 17 and 18 under Schedule 1 to the FIC Act were deleted

Regulatory reporting

Identified as being vulnerable to possible money laundering, terrorist and proliferation financing, accountable institutions listed in the FIC Act must submit regulatory reports to the FIC.

The FIC interprets and analyses the information and data provided in the regulatory reports to develop financial intelligence. Law enforcement, prosecutors and other competent authorities use these financial intelligence reports for their investigations, prosecutions and applications for asset forfeiture.

During the year under review, the institutions on the FIC database submitted more than 10.8 million (2024/25: 13.5 million) regulatory reports to the FIC.

Cross-border money or value transfer services providers submitted the highest volume of reports in 2025/26 with close to 6 million, followed by banks (more than 4.5 million), credit providers (68 510), gambling institutions (43 628), and high-value goods dealers (36 976).

The FIC monitors the regulatory reports it receives to ensure they are complete, accurate and submitted in the prescribed reporting periods as defined in the FIC Act. Where regulatory reports are insufficient, incomplete or inaccurate, the FIC liaises with the relevant entities to allow them to correct or submit outstanding information.

INFO BLOCK

What is a regulatory report?

Under the FIC Act, accountable institutions are required to file certain reports to the FIC:

Section 28: Cash threshold report (CTR) – On cash transactions of R50 000 and more

Section 29: Suspicious and unusual transactions

- **Suspicious and unusual transaction report (STR)** – Transactions that are unusual or arouse suspicion in terms of money laundering
- **Suspicious and unusual activity report (SAR)** – An activity that may be considered suspicious and unusual involving an incomplete, abandoned, aborted, attempted, interrupted or cancelled transaction.
- **Terrorist financing transaction report** – Where there is a suspicion that a transaction or series of transactions are linked to the financing of terrorism and related activities
- **Terrorist financing activity report** – Where an activity is suspected to be linked to the financing of terrorism and related activities, but the suspected activity did not involve a transaction between two or more parties.

Section 28A: Terrorist property report (TPR) – Property associated with terrorist and related activities

Section 31: International funds transfer report (IFTR) – Section 31 of the FIC Act requires only those accountable institutions who are authorised in terms of the Exchange Control provisions to transfer money electronically into or outside South Africa to submit such reports to the FIC, only in respect of amounts of R20 000 and above.

Voluntary disclosure report (VDR) – Reporting done by all persons who are not accountable and reporting institutions and further not required to report in terms of section 29 of the FIC Act. A VDR includes the reporting of suspicious or unusual transactions or activities relating to money laundering or terrorist financing activity. The public can also report suspicious and unusual transactions using this reporting stream, once they have registered with the FIC.

Table 3: Regulatory reports received during 2025/26

Item no	Schedule 1	Cash threshold reports	Suspicious and unusual transaction reports	International funds transfer reports	Terrorist property reports	Totals
1	Legal practitioners	772	1 862			2 634
2	Trust and company service providers	18	51			69
3	Estate agents	1 395	749			2 144
4	Authorised users of an exchange	6	104			110
5	Unit trusts (collective investment schemes managers)	20	191			211
6	Banks	4 074 930	485 520	46	3	4 560 499
7	Mutual banks	8	3 236			3 244
7A	Co-operative banks	21				21
8	Life insurance businesses	39	2 696			2 735
9	Gambling institutions	165 807	40 100		1	205 908
10	Foreign exchange agents or companies	36 516	7 198	134		43 848
11	Credit providers	1 939	9 943			11 882
12	Investment advisors or intermediaries	770	66 868	852		68 490
13	Issuers of travellers' cheques and money orders	7	85			92
14	The South African Postbank Limited	1 125	36			1 161
19	Cross-border money or value transfer services providers – authorised dealers	11 553	55 493	5 840 473	6	5 907 525
20	High-value goods dealers	8 804	28 158			36 962
21	The South African Mint Company					
22	Crypto asset service providers	9	5 162			5 171
23	Clearing system participants		11			11
Reporters that are not accountable institutions under Schedule 1						
	Business entity with a reporting obligation in terms of section 29 of the FIC Act*	23	10 985			11 008
	Individual reporting entities		15			15
	Voluntary disclosure reporters**		1			1
Grand total		4 303 762	718 464	5 841 505	10	10 863 741

* Section 29 reports include all suspicious and unusual transaction reports, suspicious activity reports, financing of terrorism activity reports and reports on financing of terrorism transactions.

** Voluntary disclosure reports (VDRs) are submitted to the FIC by those who do not have a section 29 obligation, due to the fact that no transaction has been entered, to report in respect of terrorist financing and/or money laundering. While there is no obligation to submit such reports, the FIC encourages entities and persons to report suspicion or knowledge of financing of terrorism or business conducted by persons or entities subject to financial sanctions via a voluntary disclosure report. VDRs are submitted voluntarily.

Awareness initiatives to improve compliance

The FIC administers the registration and regulatory reporting system for accountable institutions and ensures they are compliant through various initiatives such as targeted risk and compliance awareness, guidance, directives and outreach to help affected entities understand their FIC Act obligations.

During the 2025/26 financial year, the FIC continued to strengthen compliance awareness among DNFBPs and other accountable institutions, using a range of engagement platforms to deepen understanding on what is required of them.

Engagements included hosting awareness sessions, participation in events hosted by other institutions, responding to contact centre queries, publishing media releases, issuing notices and guidance documents, and conducting compliance reviews.

The FIC hosted 49 awareness initiatives over the reporting period, including 33 webinars and 16 in-person roadshows, reaching a total of 14 077 attendees across both mediums.

In addition to these outreaches, the FIC received invitations from industry associations, compliance organisations and supervisory bodies to present on various topics at external awareness events. The FIC participated in 42 such events during the year.

Webinars hosted during the year were aimed at improving accountable institutions' understanding of and compliance with the FIC Act obligations such as screening clients against the targeted financial sanctions list, the development of an effective risk management and compliance programme, establishing beneficial ownership, screening for politically exposed persons and prominent influential persons, and an overview of regulatory reports. In addition, the FIC held sessions providing an overview of published guidance products, including Revised Guidance Note 7A which serves as an overarching document on the FIC Act obligations.

In-person roadshows were held in cities across South Africa including George, Benoni, Durban, East London, Cape Town, Bloemfontein, Kimberley, Polokwane, Nelspruit, Mossel Bay and Johannesburg.

Webinar content focused primarily on registration, improving regulatory reporting, and implementing risk management and compliance programmes (RMCPs) and targeted specific sectors including legal practitioners, estate agents, trust and company service providers, gambling entities, crypto asset service providers, credit providers, money or value transfer providers, and high-value goods dealers.

The engagements were also intended to bring about improved understanding of the suspicious and unusual transaction reporting obligation and the effective submission of these reports with the FIC.

Also intended was creating awareness on the risks of money laundering and terrorist financing for the various sectors, as highlighted in the sector risk assessments published by the FIC.

Advancing beneficial ownership transparency on the continent

As part of regional efforts to enhance beneficial ownership, the FIC hosted the second in-person African Beneficial Ownership network event, aimed at building partnerships and collaboration on the continent to encourage improved information sharing across borders.

The two-day event explored how beneficial ownership transparency reforms could help combat illicit financial flows, strengthen tax collection, and support law enforcement.

This event, which followed the inaugural meeting in Seychelles in 2023, brought together 18 member countries, regional and international institutions, including the African Development Bank, the African Tax Administration Forum, and the Eastern and Southern Africa Anti-Money Laundering Group.

Beneficial ownership transparency has become foundational in strengthening financial integrity and effective governance which are the building blocks for sustainable development for many countries on the continent.

Jurisdictions faced various stumbling blocks in implementing beneficial ownership regimes, including aspects on data quality, verification, interagency co-ordination, access to information, privacy concerns, and the misuse of corporate vehicles.

The establishment of beneficial ownership registries across the continent is in line with FATF's Recommendation 24, which requires countries to ensure that competent authorities have access to adequate, accurate and up-to-date information on the true owners of companies.

Beneficial ownership transparency is aimed at preventing organised criminal gangs, the corrupt and sanctions evaders from using anonymous shell companies and other businesses to hide their dirty money and illicit activities.

South Africa's approach to the framework is made up of a corporate and legal persons beneficial ownership register, held by the Companies and Intellectual Property Commission and supported by a trust register under the various offices of the Masters of the High Court. In addition, the South African Revenue Service also collects beneficial ownership information.

Based on this framework, the FIC can access the beneficial ownership registers and use the information for its intelligence reports and financial analyses.

By growing a network of beneficial ownership registries, African law enforcement agencies and financial intelligence units like the FIC can help stop the illicit flow of money via opaque corporate structures, such as shell companies and trusts.

INFO BLOCK

What is beneficial ownership?

Criminals often exploit complex corporate structures such as companies, trusts, partnerships and some non-profit organisations to hide the ownership or control of funds linked to unlawful activity. By creating multiple layers of ownership, they make it difficult to identify the ultimate beneficial owner.

Some legal entities and arrangements are especially vulnerable because of their structure or characteristics. For this reason, accountable institutions must identify the natural persons who ultimately own or control clients that are legal persons, trusts or partnerships. They must also maintain accurate, up-to-date beneficial ownership information and provide it promptly to competent authorities when required.

Beneficial ownership information is essential for managing the risks posed by opaque structures and helps law enforcement identify the "warm body" behind a company, trust or similar vehicle. The FIC considers ownership of five percent or more in a legal person to generally indicate sufficient influence or control to constitute beneficial ownership.

Amplifying compliance messaging

The FIC published 28 advertorials to keep accountable institutions informed, create awareness and help improve compliance with the FIC Act. Topics covered included the implementation of an RMCP, the need for an entity-wide risk assessment to inform the RMCP, regulatory reporting, targeted financial sanctions, beneficial ownership, risk and compliance returns, registration and reporting.

Sector risk assessments

The FIC periodically assesses the money laundering and terrorist financing risks faced by the various sectors that are regulated under the FIC Act.

The areas the FIC assesses relate to clients, products, services, delivery channels, transactions and geographic areas, as well as terrorist and proliferation financing. These risk assessments are subsequently published in a report and shared so that role players in the various sectors can take the necessary steps to mitigate and manage those risks. At the start of the financial year, the FIC published a report on the money laundering and terrorist financing risks faced by crypto asset service providers. During the financial year, the FIC also started with updates to the sector risk assessment reports for DNFBP sectors.

Contact centre advice and guidance

The compliance contact centre provides advice and guidance on aspects including registration with the FIC and interpretation of the FIC Act. The service is aimed at improving compliance and awareness, but it also helps the FIC to understand the needs, challenges and concerns that accountable institutions may have. The requested information and advice sought also provides insight to the FIC on the topics guidance publications and awareness events need to focus on.

Visitors to the FIC website can log queries via the public query process, related to compliance matters or any other FIC Act-related matters, which are then addressed per return e-mail. During 2025/26, the FIC responded to 10 757 messages via its public query process system and 24 840 telephonic queries.

Guidance and awareness

The FIC develops guidance products that provide practical information on FIC Act compliance. Before being finalised, draft versions of guidance products are published for feedback and inputs from accountable institutions, supervisory bodies, and other affected persons and/or entities. Comments received are carefully considered and the guidance products are updated where necessary before final publication.

The FIC issued general guidance dealing with specified topics aimed at all accountable institutions while targeted guidance was published, aimed at credit providers and crypto asset service providers.

During the financial year the FIC finalised and published five guidance products, while the consultation process on a further four was completed. The positive impact of the guidance, together with outreach initiatives, is evident from an improvement of compliance with the FIC Act obligations across the different sectors. The improvement in compliance has been shown through an increase in the searches on the FIC database for persons on the targeted financial sanctions list as well as the eight percent increase in institutions registered with the FIC over the reporting period.



CASE STUDY

Cybercrime, fraud and money laundering

The FIC received information from the DPCI regarding the diversion of funds through cyber fraud amounting to more than R35.5 million.

Conducting a transactional flow analysis of 174 bank accounts, the FIC traced funds in 35 accounts. The FIC issued section 34 intervention directives against the 35 accounts to the value of R18 182 234.02. It also deposed to three affidavits in support of Prevention of Organised Crime Act preservation orders, all of which were successfully obtained. The FIC continues to support the investigation into fraud and money laundering charges.

The FIC engages with accountable institutions to review their level of compliance with the FIC Act. Compliance reviews provide an opportunity for the FIC to increase institutions’ awareness of their FIC Act obligations and assist them with improving the quality and quantity of regulatory reports they submit.

When selecting an institution or a group of institutions to be reviewed, the FIC takes into consideration the potential impact such a review will have on improving compliance and reporting. The selection criteria for compliance reviews include factors such as the money laundering and terrorist financing risks in the sector, reporting inefficiencies or queries received through the public query process by the specific institution or in general by institutions within the sector.

Table 4: Guidance products and Directives issued in 2025/26

No	Guidance notes and public compliance communications	Issue dates	Topic
1	Draft PCC 122	2 March 2026	On the applicability of the FIC Act to special purpose vehicles and provides risk indicators for these arrangements
2	Draft PCC 5E	19 March 2026	On how to correctly register with the FIC and report on the location of branches and subsidiaries
3	PCC 23A	30 March 2026	On the interpretation and scope of credit providers
4	PCC 61	30 March 2026	Guidance to crypto asset service providers on the implementation of the “travel rule”
5	Draft PCC 125	31 March 2026	On the format and manner of completion and submission of the 2026 risk and compliance return

Compliance reviews

While the institutions with higher risk ratings are often earmarked for inspections under the FIC Act, those at medium and lower risk are more likely to be subject to a compliance review by the FIC.

Table 5: Compliance reviews conducted during 2025/26

Sectors and Schedule 1 item numbers	Number of reviews
Item 1: Legal practitioners	43
Item 2: Trust and company service providers	22
Item 3: Estate agents	32
Item 9: Gambling institutions	9
Item 11: Credit providers	24
Item 20: High-value goods dealers	23
Item 22: Crypto asset service providers	8
Total	161

During a compliance review, the FIC may discuss compliance obligations such as customer identification, what is required in developing and maintaining an RMCP, registration, and reporting. After a review, the FIC completes a report, which is sent to the reviewed institution. Where relevant, such a report contains recommendations for improving compliance.

A final report, based on the findings by the FIC and inputs from the institution after the visit is issued upon finalisation of the compliance review.

During 2025/26, the FIC conducted 161 compliance reviews and issued reports to assist reviewed institutions with improving their understanding and execution of the compliance obligations under the FIC Act. The compliance review team focused on areas that accountable institutions often find challenging, such as drafting and implementing an RMCP and identifying suspicious and unusual transactions.

 INFO BLOCK

Inherent vs residual risk

Inherent risk refers to the level of risk that is applicable prior to any steps being taken to mitigate or manage the risks. Residual risks refer to the risks that remain after risk mitigation measures have been implemented.

Request for submissions of risk management and compliance programmes

All categories of financial and non-financial accountable institutions listed in the FIC Act are required to develop, document, maintain and implement a risk management and compliance programme (RMCP). The requirement for RMCPs is part of a suite of compliance obligations applicable to business categories listed in Schedule 1 of the FIC Act as accountable institutions.

Following the request to institutions to submit risk management and compliance programmes at the end of the previous financial year, the FIC continued to receive these documents throughout the financial year. The FIC has received a total of 11 147 RMCPs during the financial year.

To fulfil the RMCP obligation, institutions need to understand how criminals can abuse their product and service offerings for money laundering, terrorist financing or proliferation financing, as well as the level of risk posed by their various client types.

Table 6: Risk management and compliance programmes submitted per sector as at 31 March 2026

Institutions and entities	RMCPs received
Co-operative banks	1
Authorised users of an exchange	10
Banks	5
Clearing system participants	3
Company and trust service providers	1 028
Credit providers	1 076
Crypto asset service providers	173
Estate agents	2 059
Foreign exchange dealers	2
Gambling entities	450
High-value goods dealers	1 670
Investment advisors or intermediaries	348
Legal practitioners	4 218
Life insurance businesses	2
Money or value transfer services providers	4
Mutual banks	1
South African Mint Company	1
Business entities with a reporting obligation in terms of section 29 of the FIC Act*	91
Ungrouped	1
Voluntary disclosure reporters	4
Total	11 147

*The FIC received RMCPs from businesses that are not listed in Schedule 1 of the FIC Act.

Enabling risk-based supervision

The FIC has developed and implemented tools and measures to identify accountable institutions that do not meet their FIC Act obligations and determine the necessary remedial actions.

Compelled by its expanded scope and in line with global AML, CFT and CFP standards, the FIC had to find a way to supervise the additional entities under its purview on a risk-based basis.

The FIC introduced the risk and compliance return mechanism in May 2023 in support of its risk-based supervision framework and to assist South Africa's work toward exiting the Financial Action Task Force (FATF) grey list. FATF required the country, and by extension the FIC as the supervisor, to implement assessment tools to identify higher risk businesses and professions as a basis for risk-based supervision.

Using the data from the RCR submissions, the FIC could identify accountable institutions at higher risk of being abused for money laundering and terrorist financing resulting in a tailored approach to supervision and compliance monitoring.

Risk-based supervision allows the FIC to shape its guidance and awareness, monitoring, inspections, and issue dissuasive and proportionate administrative sanctions based on an accountable institution's individual level of risk.

Directives 6 and 7, which were issued in March 2023, identified DNFBPs and other institutions that were required to complete the RCR questionnaire.

While the time prescribed in the Directives for RCR submission had lapsed, the FIC continued to receive filings from accountable institutions. By 31 March 2026, a total of 24 356 DNFBPs registered with the FIC had submitted their RCRs.

On 31 March 2026 the FIC issued Directive 11, which makes provision for updates to the RCR and provides for questions that are adjusted for each DNFBP sector. This will result in more sector-specific information and risk-ratings that speak to specific sectors. Questionnaires under this Directive will only be completed in the 2026/27 financial year.



CASE STUDY

Cybercrime, fraud and money laundering

After receiving information on a cybercrime, fraud and theft matter in the form of bank statements, the FIC analysed 84 bank accounts.

The FIC identified 37 persons and three entities that formed part of a money laundering scheme.

Analysis of the accounts showed that funds were defrauded from a government entity and then channelled through 84 bank accounts. The funds were then withdrawn, disposed of or layered through casino transactions to obscure their illicit origin.

Analysis of the transactional flow indicated that the funds were possibly layered through mule accounts to obscure their illicit origin and to make it more difficult for authorities to trace the perpetrators. The FIC secured funds in 20 accounts through section 34 intervention directives, amounting to R186 252.96. The FIC also deposed to an affidavit in support of a Prevention of Organised Crime Act preservation order, which was successfully obtained. The matter was referred to the AFU, and further analysis is being conducted to support the DPCI in relation to fraud, theft and money laundering charges.

Table 7: Risk and compliance returns received from accountable institutions supervised by the FIC

A: Institutions targeted in Directive 6	Registered with the FIC as at 31 March 2023*	Risk and compliance returns received as at 31 March 2026	Percentage of RCRs received per sector 31 March 2026
Legal practitioners	16 480	12 482	76%
Company service providers	1 010	1 010	100%
Trust service providers	646	646	100%
Estate agents	9 060	6 862	76%
Casinos	38	38	100%
Total A	27 234	21 038	77%
B: Institutions targeted in Directive 7	Registered with the FIC as at 31 March 2025**	Risk and compliance returns received as at 31 March 2025	Percentage of RCRs received per sector as at 31 March 2025
High-value goods dealers: Precious stones	244	212	87%
High-value goods: Precious metals (non-Krugerrand dealers)	178	118	66%
High-value goods: Precious metals (Krugerrand dealers)	242	137	57%
High-value goods dealers: Motor vehicles	4 277	2 224	52%
High-value goods dealers: Other goods	640	313	49%
Credit providers	2 697	1 917	71%
The South African Postbank	1	1	100%
The South African Mint Company	1	1	100%
Crypto asset service providers	362	176	49%
Total B	8 642	5 099	59%
Grand Total (A+B)	35 876	26 137	73%

*The original instruction for the submission of RCRs in Directive 6 was that the information must cover the financial year ended at 31 March 2023. The system to receive RCRs remains open and the number of RCRs submitted reflects the total number submitted since 31 March 2023 and up to 31 March 2026, measured against the registered institutions as at 31 March 2023.

**Directive 7 was issued to cover the period from 1 January 2023 to 30 June 2023 to institutions that were only included as accountable institutions in December 2022. The number of registered institutions under the sectors mentioned in Directive 7 was insufficient on 30 June 2023 to provide a benchmark and therefore the percentage submission is measured against the number of institutions registered as at 31 March 2026.

Supervising compliance with legislation

The FIC and the supervisory bodies, the South African Reserve Bank (Prudential Authority and Financial Surveillance department) and the Financial Sector Conduct Authority are responsible for ensuring that accountable institutions under their purview comply with the FIC Act obligations and may conduct inspections, in terms of section 45B of the FIC Act, to assess the level of institutions' compliance.

The FIC also maintains collaborative partnerships with supervisory and regulatory bodies such as the Legal Practice Council, the Property Practitioners Regulatory Authority, the provincial gambling licensing authorities, the South African Diamond and Precious Metals Regulator and the National Credit Regulator.

Enabling risk-based supervision

Inputs from the RCR questionnaire are fed into a risk-rating tool to help identify higher risk accountable institutions as a basis for risk-based supervision consideration, and inclusion in the FIC's supervisory plan.

Institutions are categorised according to their levels of risk of money laundering, terrorist financing and/or proliferation financing abuse. This informs the FIC's supervisory approach and compliance monitoring actions in accordance with each individual institution's money laundering and terrorist financing risks.

Actions resulting from the risk profiling of institutions include inspections of higher-risk institutions, conducting compliance reviews on medium and lower risk institutions or tailoring outreach and awareness sessions to address certain shortcomings.

The FIC also conducts ongoing risk monitoring of institutions identified as low risk, to ensure changes in risk categories are monitored and future supervisory actions are being aligned to institutional risk profiles.

The FIC's risk-based supervision, monitoring and enforcement measures contributed positively to the level of compliance and to improved compliance behaviour among DNFBPs and other affected accountable institutions.

Conducting risk-based inspections

A total of 549 risk-based inspections were completed during the financial year. These inspections were conducted on institutions in different non-financial sectors, as well as credit providers and crypto asset service providers, nationwide. The table below sets out the sectors that were inspected across the country.

The FIC maintains collaborative partnerships with supervisory and regulatory bodies such as the Legal Practice Council, the Property Practitioners Regulatory Authority, the provincial gambling licensing authorities, the South African Diamond and Precious Metals Regulator and the National Credit Regulator.

Table 8: Inspection reports issued according to province and designated non-financial businesses and professions, crypto asset service providers and credit providers

Sector	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape	Total
Legal practitioners	4	13	90	19	5	3	6	2	27	169
Company service providers	1	2	10	1		2			10	26
Trust service providers	3	2	15	3		1	1		15	40
Trust and company service providers	0	1	2	1	1	1		1	3	10
Estate agents	5	3	47	11	7	4	1	3	30	111
Casinos	3			1					3	7
Credit providers	7	3	25	10	5	4	3	4	15	76
SA Postbank	0	0	1							1
Dealers in precious metals	1	0	11	1				1	3	17
Dealers in precious metal and stones	0	0	9	1					2	12
Dealers in precious stones	0	0	23	1				1	7	32
Motor vehicle dealers	3	2	13	5	2	3			9	37
South African Mint		0	1							1
Crypto asset service providers		0	8						2	10
Grand total	27	26	255	54	20	18	11	12	126	549

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How compliance reviews differ from FIC Act inspections:

- Compliance reviews are not conducted under section 45B of the FIC Act, which governs the inspection regime for the FIC
- FIC officials that conduct compliance reviews are not formally appointed as inspectors
- The purpose of compliance reviews is not primarily to test compliance, but rather to increase awareness and improve compliance through open, constructive engagement
- Compliance requirements are explained, and the institution's reporting history and challenges are discussed during a review.

Analysis of inspection findings

The FIC conducted and issued 549 risk-based inspection reports to DNFBPs, as well as credit providers and crypto asset service providers, during the year under review. The inspections were mainly selected from the analysis of RCRs submitted to the FIC.

The FIC used its risk compliance and analysis assessment tool to analyse RCR submissions to identify institutions eligible for inspections, including those that did not file RCRs. The 549 inspections primarily focused on entities assessed as posing a higher risk of money laundering and terrorist financing.

Table 9: Inspections related to risk and compliance returns

Inspections based on application of the risk and compliance analysis assessment tool	Number of reports issued
High risk	101
Medium high risk	89
Medium risk	92
Low risk	81
Low medium risk	15
Deemed as high risk as RCRs not submitted	171
Grand total	549

The results of these inspections primarily highlighted failures in the following compliance obligations:

- Developing or implementing an RMCP
- RMCPs were developed but did not meet the FIC Act requirements
- Non-adherence to the request to submit RMCPs to the FIC
- Failure to comply with customer due diligence requirements, particularly in respect of legal entities and politically exposed persons
- Late registration with the FIC and/or updating of registration information
- Lack of evidence of client screening against the targeted financial sanctions list.



CASE STUDY

Extortion in long-distance buses

The FIC received a request from SAPS DPCI, Crime Intelligence and provincial detectives regarding individuals suspected of extortion.

The subjects acted in concert as part of a structured criminal enterprise, systematically extorting money from bus companies through threats, intimidation and violence. Prosecutors alleged that operators were forced to make substantial payments in exchange for “protection” and the ability to operate without interference on their licensed routes.

The subjects’ demands were enforced through co-ordinated acts of intimidation, including threats of violence, disruption of operations and, in some

instances, the unlawful detention of individuals. Complainants from large bus companies including Inter Cape alleged that several bus companies made payments under duress, supported by financial records and corroborating statements. These payments were allegedly distributed among members of the group as part of an organised scheme.

The FIC requested information from the banks which it used to establish which bank accounts were held by the suspects. The FIC then obtained bank statements for those accounts. Through financial analysis, the FIC established that the pattern of cash deposits and transaction narrations in the accounts appeared to be

intended to obscure the true source of the funds. These illicit funds could easily be co-mingled with funds derived from legitimate business interests. The scrutinised bank account may therefore have been used as a conduit to facilitate illegal activities.

Financial analysis showed how the funds were used and to whom they were transferred. Continued collaboration between the FIC, DPCI and Crime Intelligence contributed to the arrest of the subjects. The suspects were expected to appear in the Cape Town Magistrate’s Court on 31 March 2026 on 125 charges, including intimidation, interference with essential infrastructure, extortion and money laundering.

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Risk management and compliance programme

Section 42 of the FIC Act requires all accountable institutions as listed in Schedule 1 to the FIC Act to have in place a risk management and compliance programme (RMCP).

What is an RMCP?

An RMCP is a documented plan that sets out how an accountable institution will deal with risks associated with money laundering, financing of terrorism and proliferation financing. An institution's RMCP must contain policy documents, and detail all the processes, systems and controls used for aspects such as customer due diligence (identification and verification of clients), record keeping, reporting, how the risk-based approach will be applied and how employees will be trained accordingly. This applies to an institution's branches and subsidiaries. Institutions are also required to have adequate safeguards to protect the confidentiality of information exchanged.

Why an RMCP is necessary

It is a legislative requirement that accountable institutions understand their exposure to risks of money laundering, terrorist financing and proliferation financing. An RMCP assists accountable institutions in assessing these risks to protect and maintain the integrity of their business and the integrity of the financial system of South Africa. Institutions must provide copies of their RMCP, when requested, to supervisory bodies such as the FIC and Financial Sector Conduct Authority. Non-compliance could result in an administrative sanction, which may include a financial penalty.

The RMCP must be documented and kept up to date, with the highest authorities in the business taking ultimate responsibility for its implementation.

The sanctions may include the following:

- A caution not to repeat the conduct that led to the non-compliance
- A reprimand
- A directive to take remedial action
- The restriction or suspension of certain business activities
- A financial penalty of up to R10 million for a natural person and R50 million for a legal person.

Before issuing a sanction, the details of the non-compliance, together with a recommendation on the nature of the sanction is submitted to an internal FIC Adjudication Panel. The panel considers the merits of each matter before making a recommendation to the Director of the FIC for a sanction to be issued, using the options described above.

The FIC is neither a court of law nor an enforcement agency and may not order imprisonment of individuals. Administrative sanctions are not of a criminal nature. Some non-compliance issues could also be criminal offences and may be pursued by law enforcement and may result in criminal prosecution, imprisonment and/or a fine.

Enforcement of FIC Act and sanctions for non-compliance

The FIC and the various supervisory bodies may impose a penalty, referred to as an administrative sanction, if they find that an institution or person has not complied with the FIC Act and its directives.

Sanctions imposed by the FIC are proportionate, dissuasive and effective. This is achieved by shaping the sanction to the non-compliance found and balancing that with the circumstances of the institution. Sanctions may therefore differ between institutions. Furthermore, sanctions are published on the FIC website as a further deterrent to non-compliance.

Admission of non-compliance

First implemented in the 2023/24 financial year, the FIC continued issuing admissions of non-compliance sanctions as part of its enforcement actions in response to failure by DNFBPs, credit providers and crypto asset service providers, to submit their RCRs or to register with the FIC.

The process streamlined the sanctioning of non-compliance and enabled the FIC to issue many notices to non-compliant institutions. These notices contain an admission of non-compliance fine and a directive to non-compliant institutions to submit their RCRs.

Upon the sanctions being imposed, RCR submissions must be remediated within seven working days while the fine must be paid within a further seven working days. A R10 000 fine was introduced specifically for the non-submission of RCRs, which was intended to speed up the enforcement process and the submission of RCRs.

During the financial year, the FIC issued 361 admission of non-compliance notices, including 209 for non-submission of RCRs and 152 for failure to register. Of these, 149 were finalised following remediation i.e. admission of non-compliance, and payment of the financial penalty by the non-compliant entity.

The remaining 212 sanctioned entities had not fully remediated i.e. they had failed to submit an RCR or register with the FIC or pay the financial penalties by the end of the financial year and were referred to the FIC Adjudication Panel for further consideration. At the end of the financial year, those cases have not yet been finalised.

In addition to the admission of non-compliance sanctions, other sanctions imposed by the FIC are depicted in Table 10, below.

During the financial year, the FIC imposed 28 sanctions upon non-financial sectors. Of these, 19 were finalised and appeals were lodged against nine. Decisions were also reached in respect of three appeals from the previous financial year. The total value of the 19 sanctions imposed was R635 000. A further R1.49 million was paid in respect of 149 sanctions of R10 000 each that were imposed as part of the FIC's admission of non-compliance process. This brings the total amount in the 2025/26 financial year in respect of the FIC's financial sanctions to R2 125 000.

Funds derived from financial penalties are paid into the National Revenue Fund, as per section 45C(7)(a) of the FIC Act.

Table 10: Sanctions issued by the FIC in 2025/26

No	Institution	Nature of non-compliance	Sanctions
1	1610 Real Estate	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R25 000 wholly suspended for 5 years Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
2	Africa Game Farms Estates	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
3	S Dlomo Incorporated	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance. Caution not to repeat the actions that led to the non-compliance.
4	V Sigidi Incorporated	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
5	Mbona & Associates	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R25 000 wholly suspended for 5 years Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
6	Aaron Properties CC	• Non-submission of the risk and compliance return (Directive 6)	Financial penalty • Directive 6: R25 000 wholly suspended for 5 years Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
7	Cape Crypto (Pty) Ltd	• Non-submission of the risk and compliance return (Directive 7)	Financial penalty • Directive 7: R10 000 Fine payable: R10 000 Reprimand for non-compliance.
8	De Klerk MacLennan Smith Inc	• Non-submission of the risk and compliance return (Directive 6)	A remedial directive in terms of section 45(3)(c) to forward to the FIC the documents submitted to the Legal Practice Council confirming closure of the firm. The details of the firm and all ongoing files will be handed over as proof of the institution's request to deregister with the FIC. Reprimand for its non-compliance. Caution not to repeat the actions that led to the non-compliance.

No	Institution	Nature of non-compliance	Sanctions
9	Krohn Inc	<ul style="list-style-type: none"> • Non-submission of the risk and compliance return (Directive 6) 	Financial penalty <ul style="list-style-type: none"> • Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
10	HM Van der Berg t/a ABC Properties	<ul style="list-style-type: none"> • Non-submission of the risk and compliance return (Directive 6) 	Financial penalty <ul style="list-style-type: none"> • Directive 6: R10 000, of which 90 percent was suspended for 5 years Fine payable: R1 000 Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
11	Esme Swart Attorney	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – section 42(2) • Failure to comply with the requirements for governance in respect of AML and CFT compliance – section 42A • Failure to comply with all the registration requirements in the FIC Act - section 43B(1) 	Financial penalties <ul style="list-style-type: none"> • Section 42 (2): R33 000 • Section 42A: R20 000 Fine payable: R53 000 Reprimand for non-compliance with sections 43B(1) and 43B(4). Caution not to repeat the actions that led to non-compliance.
12	Abel Daniel Slabbert trading as Nelspruit Homes	<ul style="list-style-type: none"> • Failure to properly conduct customer due diligence as required in the FIC Act – section 21 (1) • Failure to conduct enhanced due diligence – section 21B • Failure to conduct ongoing due diligence – section 21C • Failure to conduct customer due diligence on politically exposed persons in the manner prescribed in the FIC Act – section 21F-H • Failure to keep record of client information – section 22 • Failure to keep transaction records – section 22A • Failure to comply with the prescribed period for record keeping – section 23 • Failure to comply with the requirements of the RMCP – section 42 (1) • Failure to comply with the requirements for governance in respect of AML and CFT compliance – section 42A • Failure to comply with a directive issued by the FIC – section 43A(3) • Failure to provide training on the FIC Act to employees – Section 43 • Failure to screen against targeted financial sanctions list – section 28A(3) 	Financial penalties <ul style="list-style-type: none"> • Sections 21, 21B, 21C and 21F-H(1): R22 500 • Section 28A(3): R22 500 • Section 42(1): R50 000 Financial penalty wholly suspended for 5 years. Reprimand for non-compliance with sections 22, 22A, 23, 42A(1), 43A(3), 43 and 43B. Caution not to repeat the actions that led to the non-compliance.

No	Institution	Nature of non-compliance	Sanctions
13	Yugan Naidu trading as Yugan Naidu and Associates	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – section 42 (1) • Failure to comply with a directive issued by the FIC – section 43A(3) 	Financial penalties <ul style="list-style-type: none"> • Section 43A(3): R50 000 • Section 42(1): R70 000 Fine payable: R120 000 Caution not to repeat the actions that led to non-compliance.
14	AO Finance CC	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – section 42 (1) 	Financial penalty <ul style="list-style-type: none"> • Section 42(1): R37 000 Fine payable: R37 000 Caution not to repeat the actions that led to non-compliance.
15	Pieter Gysbert Steyn trading as PGS Uys Attorneys	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – section 42 (1) 	Financial penalty <ul style="list-style-type: none"> • Section 42(1): R25 000 Penalty suspended for 3 years on condition that the institution was not found non-compliant on the same requirements. Caution not to repeat the actions that led to non-compliance.
16	OBP Investments (Pty) Ltd	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – sections 42(1) and 42(2) 	Financial penalty <ul style="list-style-type: none"> • Sections 42(1) and 42(2): R10 000 Fine payable: R10 000 Caution not to repeat the actions that led to non-compliance and a further caution that the institution reviews its RMCP regularly and keep it up to date.
17	Braham Jacobus Louw trading as Braam Louw Attorneys	<ul style="list-style-type: none"> • Failure to comply with the requirements of the RMCP – section 42(1) 	Financial penalty <ul style="list-style-type: none"> • Section 42(1): R50 000 Fine payable: R10 000 80 percent of the financial penalty suspended for 3 years on condition that the institution was not found non-compliant on the same requirements. Caution not to repeat the actions that led to non-compliance.
18	Lindokuhle Regional Zulu trading as Zulu LR Attorneys	<ul style="list-style-type: none"> • Non-submission of the risk and compliance return – Directive 6 	Reprimand for failure to comply with section 42 (1), Directive 6, and section 42A.
19	Yolandi Young Attorneys	<ul style="list-style-type: none"> • Failure to comply with all the registration requirements in the FIC Act – section 43B(4) • Non-submission of the risk and compliance return – Directive 6 	Reprimand for its non-compliance with section 43B(4) read with Directive 1 and failure to comply with Directive 6. Caution not to repeat the actions that led to the non-compliance.

Appeals

The following appeals were lodged during the financial year and the outcomes were still pending at the end of the financial year.

Table 11: Appeals lodged against sanctions imposed by the FIC in 2025/26 where findings are still pending

No	Institution	Nature of non-compliance	Sanction
1	High-value goods dealer	<ul style="list-style-type: none"> Failure to comply with the requirements of the RMCP – sections 42 (1) and (2) Failure to screen against targeted financial sanctions list – section 28A(3) Failure to comply with the requirements for governance in respect of AML and CFT compliance – section 42A Failure to comply with all the registration requirements in the FIC Act – section 43B 	Financial penalties <ul style="list-style-type: none"> Section 42 (1) & (2): R100 000 Section 28A(3): R100 000 Section 43B: R10 000 Fine payable: R105 000 Remaining R105 000 suspended. Reprimand for non-compliance with section 43B(1) read with regulation 27A(2), section 42(1), 42(2), 42A(1) and 43.
2	Legal practitioner	<ul style="list-style-type: none"> Non-submission of the risk and compliance return (Directive 6) 	Financial penalty <ul style="list-style-type: none"> Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance. Caution not to repeat the actions that led to non-compliance.
3	Estate agent	<ul style="list-style-type: none"> Failure to comply with the requirements of the RMCP – section 42 Failure to comply with all the registration requirements in the FIC Act – section 43B(4) 	Financial penalties <ul style="list-style-type: none"> Section 42: R175 000 Section 43B(4): R20 000 Fine payable: R195 000 Caution not to repeat the actions that led to non-compliance.
4	Estate agent	<ul style="list-style-type: none"> Failure to provide training on the FIC Act to employees – section 43 Failure to comply with the requirements for governance in respect of AML and CFT compliance – section 42A Failure to comply with the requirements of the RMCP – section 42(1) 	Remedial directive: Compliance officer to attend goAML webinar presented by the Compliance and Prevention division on 3 March 2026. Financial penalty <ul style="list-style-type: none"> Section 42(1): R70 000 Fine payable: R70 000 Reprimand for its non-compliance with sections 43 and 42A. Caution not to repeat the actions that led to the non-compliance.
5	Legal practitioner	<ul style="list-style-type: none"> Non-submission of the risk and compliance return (Directive 6) 	Financial penalty <ul style="list-style-type: none"> Directive 6: R50 000 Fine payable: R50 000 Reprimand for its non-compliance. Caution not to repeat the actions that led to the non-compliance.

Sanctions were imposed in respect of the non-compliance described below towards the end of the 2025/26 financial year. As at 31 March 2026, the window period to lodge an appeal had not expired and appeals were subsequently lodged in the new financial year.

Table 12: Appeals lodged against sanctions imposed by the FIC after the 2025/26 financial year

No	Entity type	Nature of non-compliance	Sanction details
1	Credit provider	<ul style="list-style-type: none"> Failure to comply with all the registration requirements in the FIC Act – Section 43B(4) Section 43A(3) Failure to comply with the requirements of the RMCP – Sections 42(1) and 42(2) 	Financial penalty <ul style="list-style-type: none"> Section 42(1) and 42(2): R675 000 Fine payable: R337 500 50 percent of the financial penalty suspended for 3 years on condition that the institution was not found non-compliant on the same requirements. Reprimand for non-compliance with section 43B(4). Reprimand for non-compliance with section 43A(3). Caution not to repeat the actions that led to non-compliance.
2	Estate agent	<ul style="list-style-type: none"> Non-submission of the risk and compliance return (Directive 6) 	Financial penalty <ul style="list-style-type: none"> Directive 6: R50 000 Fine payable: R50 000 Caution not to repeat the actions that led to non-compliance.
3	Estate agent	<ul style="list-style-type: none"> Failure to comply with all the registration requirements in the FIC Act – Section 43A(3) Failure to comply with the requirements of the RMCP – Section 42 	Financial penalties <ul style="list-style-type: none"> Section 43A(3): R50 000 Section 42: R618 000 Fine payable: R330 000 50 percent of the financial penalty suspended for 3 years on condition that the institution was not found non-compliant on the same requirements. Caution not to repeat the actions that led to non-compliance.
4	Crypto asset service provider	<ul style="list-style-type: none"> Failure to comply with all the registration requirements in the FIC Act – section 43B 	Financial penalty <ul style="list-style-type: none"> Section 43B: R10 000 Fine payable: R10 000 Reprimand for its non-compliance with section 43B of the FIC Act read with Regulation 27A. Caution not to repeat the actions that led to non-compliance.

Table 13: Outcomes of appeals lodged in 2025/26 against sanctions imposed by the FIC in the previous financial year

No	Institution	Nature of non-compliance	Decision	Status	Sanction details
1	Estate agent Anytime Investments No. 17 (Pty) Ltd t/a Apfin Properties	<ul style="list-style-type: none"> Non-submission of the risk and compliance return (Directive 6) 	N/A	Withdrawn by appellant. Administrative sanction upheld. Appellant requested a deferred payment plan which was approved by the Appeal Board.	Financial penalty <ul style="list-style-type: none"> Directive 6: R50 000 Fine payable: R50 000 Reprimand for its non-compliance. Caution not to repeat the actions that led to the non-compliance
2	Trust service provider MPK Chartered Accountants Inc. (Consent Order)	<ul style="list-style-type: none"> Failure to comply with the requirements of the RMCP - sections 42(1) and 42(2) Failure to comply with the requirements for governance in respect of AML and CFT compliance – section 42A Failure to comply with all the registration requirements in the FIC Act – section 43B 	Consent order	Consent order approved by the Appeal Board	Financial penalties <ul style="list-style-type: none"> Section 42 (1) and (2): R307 000 Section 42A: R184 000 Section 43B: R10 000 Fine payable: R250 500. Remaining R250 500 suspended for 3 years. Caution not to repeat the actions that led to non-compliance.

Collaboration with supervisory bodies

To ensure the highest level of FIC Act compliance, the FIC maintains good working relations with the supervisory bodies and regulators of accountable institutions.

Quarterly and ad hoc meetings are held with the South African Reserve Bank and the Financial Sector Conduct Authority to discuss, among other aspects, compliance issues and to share information.

The FIC also meets with the other regulators on matters such as market entry requirements, assistance with awareness and guidance to the sectors as well as matters relating to supervision and enforcement (including inspections and sanctions).

Sanctions issued by supervisory bodies

The supervisory bodies referred to in Schedule 2 of the FIC Act, namely the South African Reserve Bank (Prudential Authority and Financial Surveillance department) and the Financial Sector Conduct Authority, also conduct inspections on institutions licensed and supervised by them to test compliance with the FIC Act. Following these inspections, a report is issued, and the supervisory body may, after taking various factors into consideration, impose a sanction upon these institutions for non-compliance with the FIC Act.

The South African Reserve Bank's Prudential Authority and its Financial Surveillance department imposed sanctions of R37 000 000 and R1 483 952.57 respectively. The Financial Sector Conduct Authority imposed sanctions to the value of R16 560 000.

Financial Surveillance department inspections and sanctions

During the financial year, the Financial Surveillance Department issued 47 inspection reports. Of these, 36 were finalised while 11 were draft reports which will be finalised in the new financial year.



CASE STUDY

Illegal wildlife trade involving the smuggling of cycad seeds and other rare seeds

The FIC received a request to assist with an investigation into the illegal smuggling of cycad and other rare seeds involving two subjects. The scope of the intelligence sought from the FIC was to compile a financial profile on both subjects, one of whom was a foreign national, and to identify transactions linking them to the illegal smuggling of cycad seeds and other rare seeds.

Regulatory reports were filed with the FIC, noting irregular transactions associated with the South African national through linked bank accounts.

The FIC requested and received bank documents. Through bank statement analysis and feedback from accountable institutions, the FIC identified transactions with references linked to cycad activities, mostly recorded as "CYCADS" and "BROODBOME"*.

Bank statement analysis also reflected inward SWIFT payments and PayPal withdrawals through an FNB account that was possibly linked to cycad trading. Some transactions also referenced the foreign national, suggesting that the South African national was transacting with that person.

The FIC also received international fund transfer reports linked to the South African national, mostly involving funds to and from Australia, China, Hong Kong, Indonesia, Korea, Malaysia, Mozambique, Thailand and Taiwan. Some of these jurisdictions are known hubs for wildlife and fauna smuggling.

The FIC compiled a report setting out the information identified and shared financial intelligence with law enforcement. The matter remains under investigation.

*The Afrikaans word for cycads.

Table 14: Sanctions imposed by the Financial Surveillance department

No	Institution	Nature of non-compliance	Sanction imposed
1	Access Forex (Pty) Limited (Access Forex)	<ul style="list-style-type: none"> Failure to comply with provisions of section 42(1) of the FIC Act, in that Access Forex failed to reflect important provisions of the FIC Act in its RMCP. Failure to verify and identify some of clients as required by section 20A, 21(1)(a) and 21(E) of the FIC Act. Failure to provide adequate training to staff members as required by section 43 of the FIC Act. 	Financial penalties <ul style="list-style-type: none"> Section 42(1): R100 000 Sections 20A, 21 (1)(a) and 21(E): R37 500 Section 43: R25 000 Fine payable: R162 500
2	eZi Remit (Pty) Limited (eZi Remit)	<ul style="list-style-type: none"> Failure to comply with section 43 of the FIC Act, in that eZi Remit failed to provide adequate training to its staff. 	A caution not to repeat the conduct which led to the non-compliance.
3	Home Remitt (Pty) Limited (Home Remitt)	<ul style="list-style-type: none"> Failure to comply with section 21C(1) of the FIC Act, by not conducting adequate ongoing due diligence and transaction monitoring throughout the course of the business relationship with clients. 	Financial penalty <ul style="list-style-type: none"> Section 21C(1): R100 000 Fine payable: R100 000
4	Kawena Exchange (Pty) Limited (Kawena)	<ul style="list-style-type: none"> Failure to retain customer due diligence records in terms of section 22 of the FIC Act, in relation to 276 clients. Failure to identify clients and other persons, by collecting and using four expired passports in terms of section 21 of the FIC Act. 	Financial penalties <ul style="list-style-type: none"> Section 22: R75 000 Penalty fully suspended for a period of a year on condition that there is no recurrence of the relevant non-compliance during the period of suspension. <ul style="list-style-type: none"> Section 21: R50 000 Penalty fully suspended for a period of a year on condition that there is no recurrence of the relevant non-compliance during the period of suspension.
5	Sasai Fintech (Pty) Limited (Sasai)	<ul style="list-style-type: none"> 21C of the FIC Act, in that Sasai failed to conduct ongoing due diligence and account monitoring for business relationships as mentioned in its RMCP. Failure to comply with section 42(1) of the FIC Act, in that Sasai failed to adhere to the risk-based methodology outlined in its RMCP. In addition, the risk-based methodology strategies applied to high-risk jurisdictions were not outlined in its RMCP. Failure to comply section 43 of the FIC Act, in that Sasai failed to provide training to its staff 	Financial penalties <ul style="list-style-type: none"> Section 21C: R100 000 Section 42(1): R200 000 50 percent of above penalty (R100 000) suspended for a period of a year on condition there was no recurrence of the relevant non-compliance during the period of suspension. <ul style="list-style-type: none"> Section 43: R100 000 Fine payable: R300 000
6	Forex World (Pty) Limited (Forex World)	<ul style="list-style-type: none"> Failure to comply with the relevant requirements of the FIC Act in terms of its RMCP. Failure to comply with the provisions of section 21A of the FIC Act. Failure to comply with the provisions of section 21C of the FIC Act. Failure to comply with the provisions of section 29 of FIC Act. Failure to comply with the provisions of section 43 of FIC Act. 	Financial penalties <ul style="list-style-type: none"> Section 21A: R100 000 Section 21C: R75 000 Section 29: R421 452.57 50 percent (R210 726.28) of above financial penalty suspended for a period of 12 months, on condition that there is no recurrence of the relevant non-compliance during the period of suspension. <ul style="list-style-type: none"> Section 43: R100 000 A directive that Forex World revises its RMCP to fully comply with all the relevant requirements of the FIC Act. The authority of Forex World to conduct the business of an ADLA has been withdrawn. Fine payable: R485 726.28

Prudential Authority inspections and sanctions

During the financial year, the Prudential Authority (PA) issued 20 inspection reports of which 10 were in respect of banks and 10 relating to long-term insurers.

Table 15: The Prudential Authority imposed the following sanctions during 2025/26

No	Institution	Nature of non-compliance	Sanction imposed
1	Discovery Bank Limited	<ul style="list-style-type: none"> Section 29: Failure to timeously submit suspicious and unusual transaction reports Section 43: Failure to provide training to employees Section 42: Failure to compile a RMCP in accordance with the FIC Act FIC Directive 5/2019: Failure to timeously attend to ATMS alerts. 	Financial penalty: <ul style="list-style-type: none"> R3 million and four cautions not to repeat the conduct which led to the non-compliance. The financial penalty of R1 million was, however, suspended for a period of 36 months from 9 July 2025, subject to Discovery Bank Limited adhering to certain conditions imposed by the Prudential Authority (PA). Fine payable: R2 000 000
2	Capitec Bank Limited	<ul style="list-style-type: none"> Section 21(1): Failure to comply with the customer due diligence requirements Section 21A: Failure to comply with enhanced customer due diligence requirements Section 21C: Failure to comply with ongoing customer due diligence requirements Section 43: Failure to provide training to employees Section 42: Failure to develop and implement a RMCP in accordance with the requirements of the FIC Act. 	Financial penalty: <ul style="list-style-type: none"> R28 million and five cautions not to repeat the conduct which led to the non-compliance. Financial penalty of R5.5 million was, however suspended for a period of 36 months from 13 October 2025, subject to Capitec Bank Limited adhering to certain conditions imposed by the PA. Fine payable: R22 500 000
3	Ninety-One Assurance Limited	<ul style="list-style-type: none"> Section 21A: Failure to comply with enhanced customer due diligence requirements in respect of business relationships Section 42: Failure to develop, document and implement an RMCP in accordance with the requirements of the FIC Act. 	Financial penalty: <ul style="list-style-type: none"> R6 million, two cautions not to repeat the conduct which led to the non-compliance and two reprimands. Financial penalty of R2.5 million was, however, suspended for a period of 36 months from 22 July 2025, subject to Ninety-One Assurance Limited adhering to certain conditions imposed by the PA. Fine payable: R3 500 000

Financial Sector Conduct Authority inspections and sanctions

During the financial year, the FSCA issued 65 inspection reports, of which 52 were on financial services providers, 10 on crypto asset service providers, and three on collective investment scheme managers.

During the financial year, the Financial Sector Conduct Authority sanctioned 10 entities, of which two lodged appeals. The remaining sanctions amounted to R16 560 000.

Table 16: FIC Act sanctions imposed by the Financial Sector Conduct Authority

No	Institution	Nature of non-compliance	Sanction imposed
1	DSL Solutions (Pty) Ltd	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to conduct customer due diligence as required in terms of sections 20A, 21(1), 21A, 21B(2) and 21C(1) of the FIC Act Failure to keep customer due diligence records as required in terms of section 22(1) of the FIC Act Failure to establish a compliance function to assist the accountable institution to discharge its obligations under the FIC Act as required under section 42A(1) of the FIC Act Failure to scrutinise (screen) client information against the Targeted Financial Sanctions (TFS) lists as required in terms of section 28A(3) read with section 26B of the FIC Act. 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and (2): R100 000 Sections 21(1), 21A, 21C(1) and/or 22: R50 000 Section 28A read with section 26B: R50 000 A reprimand for non-compliance with section 42A of the FIC Act. A Directive to remediate. A caution not to repeat the conduct which led to the non-compliance. Fine payable: R200 000
2	Opes Trust	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to submit suspicious and unusual transactions reports in terms of section 29(1) of the FIC Act Failure to conduct customer due diligence as required in terms of sections 21(1), 21A, 21C(1), 21F–H of the FIC Act Failure to assign a person with sufficient competence and seniority to ensure the effectiveness of the compliance function in terms of section 42A(2) of the FIC Act. Failure to scrutinise (screen) client information against the Targeted Financial Sanctions (TFS) lists as required in terms of section 28A(3) read with section 26B of the FIC Act. 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and 42(2): R200 000 Sections 21(1), 21A, 21C(1), 21F–H: R200 000 Section 28A read with section 26B: R100 000 A reprimand for non-compliance with section 42A of the FIC Act. A reprimand for non-compliance with section 29 of the FIC Act and/or regulation 23A of the Regulations. A directive to remediate. Fine payable: R250 000 The remaining R250 000 was conditionally suspended.
3	Harith General Partners (Pty) Ltd	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to scrutinise (screen) client information against the targeted financial sanctions lists as required in terms of section 28A(3) read with section 26B of the FIC Act Failure to conduct customer due diligence as required in terms of sections 21, 21A and 21B of the FIC Act Failure to comply with Directive 8. 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and 42(2)(o), (p) and (s): R500 000 Sections 28A read with section 26B: R500 000 Sections 21, 21A and 21B: R500 000 Directive 8 of 2023: R200 000 A directive to remediate. A caution not to repeat the conduct that led to non-compliances. Fine payable: R1 200 000. The remaining R500 00 was conditionally suspended.

Table 16: FIC Act sanctions imposed by the Financial Sector Conduct Authority (cont.)

No	Institution	Nature of non-compliance	Sanction imposed
4	Sanlam Collective Investments (RF) (Pty) Ltd	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to conduct customer due diligence as required in terms of sections 20A, 21, 21A, 21C, and 21E to 21H of the FIC Act Failure to scrutinise (screen) client information against the Targeted Financial Sanctions (TFS) lists as required in terms of section 28A(3) read with section 26B of the FIC Act. 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and (2): R1.4 million Sections 20A, 21, 21A, 21C, and 21E: R5.2 million Sections 21F and 21G read with section 21H: R2 million Sections 21B(1) and (2): R2 million A directive to remediate. A caution not to repeat the conduct that led to non-compliances. Fine payable: R7 000 000 The remaining R3..6 million was conditionally suspended.
5	QuickTrade (Pty) Ltd	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to conduct customer due diligence as required in terms of sections 21(1), 21A and 21B of the FIC Act Failure to report above cash threshold transactions (CTR) as required in terms of section 28. 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and (2): R500 000 Sections 21(1), 21A, 21B and/or 22: R110 000 Section 28 of the FIC Act read with regulation 22B of the Money Laundering and Terrorist Financing Control Regulations: R50 000 A caution not to repeat the conduct which led to the non-compliance. Directive to remediate. Fine payable: R660 000
6	Louw Risk Financial Services CC	<ul style="list-style-type: none"> Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to establish a compliance function to assist the accountable institution to discharge its obligations under the FIC Act as required under section 42A(1) of the FIC Act. 	Financial penalty <ul style="list-style-type: none"> Sections 42(1) and 42(2): R250 000 A caution not to repeat the conduct that led to the non-compliance. Directive to remediate. Fine payable: R150 000 The remaining R100 000 was conditionally suspended.
7	Thembnkululeko Construction (Pty) Ltd	<ul style="list-style-type: none"> Failure to develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to establish an effective compliance function to assist the accountable institution to discharge its obligations under the FIC Act as required under section 42A(1) of the FIC Act Failure to comply with a Directive to Provide Information issued by the FSCA in terms of section 43A(3) of the FIC Act 	Financial penalties <ul style="list-style-type: none"> Section 42(1): R250 000 Section 43A(3): R100 000 A reprimand for non-compliance with section 42A of the FIC Act. A caution not to repeat the conduct that led to non-compliances. Directive to remediate. Directed to pay the financial penalty of R250 000. The payment of the remaining R100 000 of the total financial penalty is conditionally suspended. Fine payable: R250 000 The remaining R100 000 was conditionally suspended.
8	GQM Fund Administrators (Pty) Ltd	<ul style="list-style-type: none"> Failure to develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act Failure to establish an effective compliance function to assist the accountable institution to discharge its obligations under the FIC Act as required under section 42A(1) of the FIC Act Failure to comply with a Directive to Provide Information issued by the FSCA in terms of section 43A(3) of the FIC Act 	Financial penalties <ul style="list-style-type: none"> Sections 42(1) and/or (2): R1 million Sections 21(1)(a) and (b), 21A, 21B and 21C(1): R1.3 million

Appeals on sanctions imposed by the Financial Sector Conduct Authority

Section 45E of the FIC Act establishes an appeal board to adjudicate on appeals emanating from sanctions issued by the FIC and supervisory bodies for non-compliance with the FIC Act. During the 2025/26 financial year, appeals were lodged against two sanctions imposed by FSCA. See table 17.

Table 17: Appeals lodged against sanctions imposed by the Financial Sector Conduct Authority and the Prudential Authority

No	Supervisory body	Nature of non-compliance	Sanction details
1	FSCA	<ul style="list-style-type: none">• Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act.• Failure to conduct customer due diligence as required in terms of sections 20A, 21(1), 21A, 21B(2) and 21C(1) of the FIC Act.• Failure to keep customer due diligence records as required in terms of section 22(1) of the FIC Act.	<ul style="list-style-type: none">• Financial penalties:• Section 42(1) and 42(2): R1 million• Sections 21(1), 21A, 21B, and 21C(1): R640 000• Section 22: R200 000• A reprimand for non-compliance with section 42A(2) of the FIC Act.• Directive to remediate. <p>Fine payable: R1 640 000. The remaining R200 000 was conditionally suspended.</p>
2	FSCA	<ul style="list-style-type: none">• Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and (2) of the FIC Act.• Failure to screen client information against the targeted financial sanctions (TFS) lists as required in terms of section 28A(3) read with section 26B of the FIC Act.	<ul style="list-style-type: none">• Financial penalties:• Sections 42(1) and 42(2) (o), (p) and (s): R600 000• Sections 28A read with section 26B: R1 million• A caution not to repeat the conduct that led to non-compliance.• A directive to remediate. <p>Fine payable: R1 000 000. The remaining R600 000 was conditionally suspended.</p> <ul style="list-style-type: none">• To settle the appeal, the Appellant and the FSCA reached an agreement, which was sent to the Appeal Board and was pending at the end of the financial year.

Appeals on sanctions imposed by the Prudential Authority

An appeal that emanated from a sanction the Prudential Authority imposed on Albaraka Bank in the previous financial year was upheld by the FIC Act Appeal Board.

Appeals by banks shown in Table 18, against sanctions imposed by the Prudential Authority were lodged in the previous financial year but were still pending at the end of 2025/26.

Table 18: Outcomes of appeals lodged against sanctions imposed by the Prudential Authority still pending after the 2025/26 financial year

No	Supervisor	Nature of non-compliance	Sanction imposed
1	PA	Failure to comply with section 21C of the FIC Act, read with section 42 of the FIC Act and FIC Guidance Note 7, in that the bank failed to adequately conduct ongoing due diligence in respect of some clients. Failure to comply with section 42(1) of the FIC Act in that it failed to implement some provisions in its RMCP	<ul style="list-style-type: none"> • A caution not to repeat the conduct which led to the non-compliance • A directive to remedy the non-compliance and to confirm in writing to the PA within 3 months the remediation thereof • A financial penalty of R10 million of which R5 million was conditionally suspended for a period of 36 months • A caution not to repeat the conduct which led to the non-compliance • A directive to remedy the non-compliance and to confirm in writing to the PA within 3 months the remediation thereof; and • A financial penalty of R15 million, of which R5 million was conditionally suspended for a period of 36 months
2	PA	Failure to comply with section 21 of the FIC Act, in that it failed to adequately conduct customer due diligence on some clients. Failure to comply with section 21A of the FIC Act, in that it failed to adequately conduct enhanced due diligence on some clients. Failure to comply with section 42 of the FIC Act, in that it failed to develop, document, maintain or implement adequate RMCP policies, procedures, and controls relating to FIC Act provisions that would enable it to effectively identify, assess, monitor, mitigate or manage its risk associated with: <ul style="list-style-type: none"> i. understanding and obtaining the nature and intended purpose of the business relationship at onboarding; ii. implementing CDD controls; iii. processes and procedures relating to alert investigation; and iv. the closure of STR/SAR alerts. 	<ul style="list-style-type: none"> • A financial penalty of R2 million, of which R1 million was conditionally suspended for a period of 36 months • A caution not to repeat the conduct which led to the non-compliance • A caution not to repeat the conduct which led to the non-compliance • A financial penalty of R10 million, of which R5 million was conditionally suspended for a period of 36 months

SUB-PROGRAMME 2.2:

Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on the improved production and utilisation of financial intelligence products

Purpose

The sub-programme is primarily mandated to produce financial intelligence that typically:

- Identifies crimes and perpetrators
- Identifies assets derived from proceeds of crime
- Provides operational intelligence that assists in decision-making and planning on topical or defined issues
- Provides strategic intelligence that contributes to shaping policy and positions.

This sub-programme provides unique intelligence-based services that entail the analysis, interpretation, and representation of financial information in a manner that can be converted into evidence by law enforcement and prosecutorial services. These services are performed to support law enforcement agencies' efforts to prove crime and involve in-depth planning and co-ordination. The sub-programme also gathers and receives international information through a network of foreign financial intelligence units.

Strategic outputs

Sub-programme 2.2 contributes to the following institutional outcomes:

- Financial intelligence reports i.e. proactive and reactive reports issued to stakeholders
- Stakeholder engagements to improve the understanding and use of FIC products and/or services
- Blocked funds involving crime and terrorism.

Performance

In this sub-programme, the FIC exceeded seven and met one of its eight targets during 2025/26. Highlights for the year include:

- Producing a total of 4 194 financial intelligence reports – 2 948 reactive, 1 094 proactive, of which 952 were medium-to-lower priority and 142 were proactive high priority and 12 forensic products.
- Producing 140 reports on illicit financial flows – 135 proactive and five reactive
- Contributing to the recovery of close to R37.5 million in criminal proceeds
- Exceeding seven of eight performance targets
- Blocking close to R34.2 million (in terms of section 34 of the FIC Act) as suspected proceeds of crime

- Participating in 44 engagements to improve the understanding of FIC intelligence reports and the use thereof
- Bolstering the non-conviction-based confiscation regime through the Asset Recovery Hub
- Enhancing the fight against crime through information sharing partnerships and collaborations such as the Reformed Fusion Centre and the South African Anti-Money Laundering Integrated Task Force (SAMLIT).

Table 19: Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.2

Outcome	Outputs	Output indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement	Reasons for deviations
Improved the production and utilisation of financial intelligence reports and services to assist in the identification and combating of crime	Financial intelligence reports	2.1.1 Number of proactive high-priority financial intelligence reports issued to stakeholders per annum ¹ .	110	101	95	142	47	Target exceeded due to an unexpected surge in material cases from mid Q2 and Q3 onwards (e.g. intelligence recipients as well as Auditor-General matters), coupled with accelerated processing by the analysis teams and re-commissioned findings.
		2.1.2 Number of proactive medium- to lower-priority financial intelligence reports issued to stakeholders per annum ² .	1 049	991	800	952	152	Target exceeded due to improved team workflows and efforts and an unexpected influx of material cases from Q2 onwards.
		2.1.3 Percentage of reactive financial intelligence reports issued to stakeholders ³ .	Responded to 151.66% of the requests	Responded to 167.78% of the requests.	Responded to 100% of the requests, subject to an annual maximum of 1 900	155.16% (2 948/1 900)	55.16%	Target exceeded due to maximised operational capacity, allowing the team to process a high volume of received requests.
		2.1.4 Number of elevated financial intelligence reports issued to stakeholders on illicit ⁴ financial flows per annum ⁵ .	111	51	45	140	95	Target exceeded due to an unexpected surge in reporting from crypto service providers coupled with the accelerated processing of pipeline matters.
	Stakeholder engagements to improve the understanding and utilisation of FIC products and/or services.	2.2.1 Number of conducted stakeholder engagements to improve the understanding and utilisation of FIC products and/or services per annum.	50	49	32	44	12	Target exceeded due to an unexpected rise in ad hoc stakeholder requests and external regulatory developments requiring immediate engagement.

1 Including matters related related to ML and TF as identified by by FATF Action Plan and from the recommendations from the Zondo Commission

2 Including matters related related to ML and TF as identified by by FATF Action Plan and from the recommendations from the Zondo Commission

3 Including matters related related to ML and TF as identified by by FATF Action Plan and from the recommendations from the Zondo Commission

4 Including matters related related to ML and TF as identified by by FATF Action Plan and from the recommendations from the Zondo Commission

5 Including matters related related to ML and TF as identified by by FATF Action Plan and from the recommendations from the Zondo Commission

Outcome	Outputs	Output indicators		Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement	Reasons for deviations
	Funds blocked involving crime and terrorism.	2.3.1	Percentage response to requests to block funds.	100%	100%	100%	100% (188/188)	0	Target achieved.
	Forensic reports and/or affidavits for court proceedings.	2.4.1	Number of forensic reports and/or affidavits for court proceedings issued to stakeholders.	N/A	N/A	M&A = 10	12	2	Target exceeded due to an accelerated year-end finalisation of matters carried over from previous quarters.
				N/A	N/A	SFC = 10	13	3	Target exceeded due to optimised internal case-routing workflows and prioritised analysis of high-readiness files.

The value of financial intelligence in the fight against crime

The FIC remains single-minded in delivering on its mandate of producing quality and timeous financial intelligence that ultimately moves the needle in the fight against financial crime.

The complexity and stubborn nature of financial crime erodes the moral fibre of society and entrenches pervasive inequality as funds often earmarked for development are pilfered through money laundering, fraud, bribery and corruption.

As South Africa’s financial intelligence unit, the FIC’s remit is to produce financial intelligence reports for use by competent authorities, including law enforcement, the revenue service, and prosecutorial

authorities for their use in investigations, prosecutions, and applications for forfeiture of criminal assets.

The impact of the financial intelligence it produces is often hard to quantify as the FIC does not itself conduct investigations nor does it prosecute matters in a court of law. The FIC therefore places a high premium on improving stakeholder relations to ensure the increased use of financial intelligence products by law enforcement partners and other competent authorities.

Efforts by the FIC to integrate financial intelligence into South Africa’s financial crime fighting ecosystem are bearing fruit, weighed against the sheer demand for its products and expertise. The FIC actively advocates for the use of its financial intelligence products by demonstrating their value through various initiatives.

Through its role as facilitator between different role players in the financial crime ecosystem, the FIC assists in the detection, investigation and prosecution of money laundering, and illicit financial flows. Initiatives such as the South African Anti-Money Laundering Task Force (SAMLIT) and the Reformed Fusion Centre promote broader collaboration and information sharing in the justice, crime prevention and security cluster.

This helped improve collaboration and information exchange between stakeholders in the financial crime value chain and forged a better understanding of the potential impact of the FIC’s financial intelligence products.

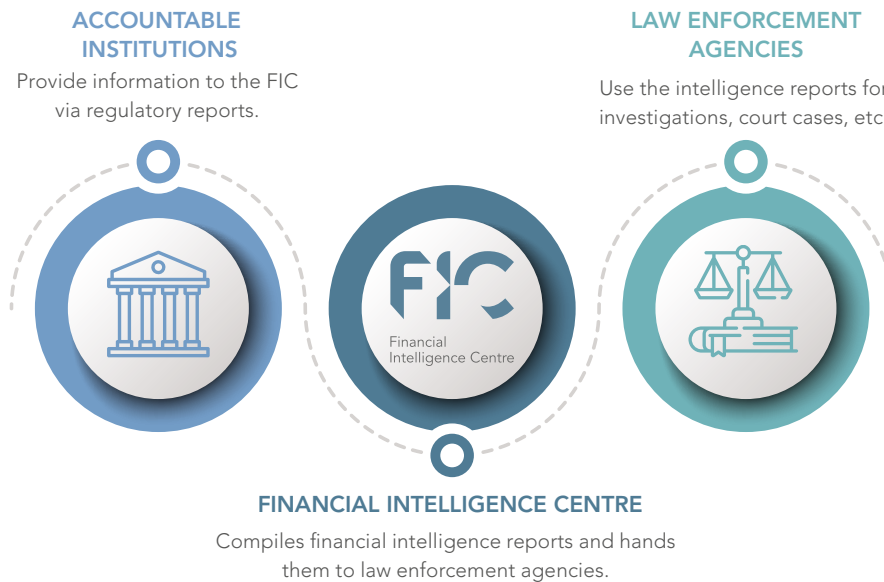


Figure 2: Producing financial intelligence reports

Advocating for the use of financial intelligence products

During the year under review, the FIC translated financial intelligence into measurable impact producing 4 194 financial intelligence reports – including 2 948 reactive reports, 1 094 proactive reports and 12 forensic products. In addition, the FIC issued 140 reports on illicit financial flows.

These interventions helped deliver tangible results in the broader fight against financial crime contributing to the recovery of close to R37.5 million in criminal proceeds, while a further close to R34.2 million was blocked in terms of section 34 of the FIC Act as suspected proceeds of crime.

The appetite for the FIC's financial intelligence by law enforcement and other competent authorities continues to rise, suggesting an increase in the perceived and actual value of these reports in the criminal justice system. The demand for reactive financial intelligence reports on request from local law enforcement and other competent authority partners remains high. In 2025/26, the FIC produced 2 948 reactive reports.

The FIC also produces proactive reports or spontaneous disclosures at its own initiative where it detects potential illicit activities based on its analysis of information and data it receives from accountable institutions. Over the last year, the FIC generated 1 094 proactive financial intelligence reports – 952 were medium to low priority and 142 were high priority.

Included in the total number of proactive reports produced were 40 reports which were shared with other stakeholders, following spontaneous disclosures and requests received from foreign financial intelligence units. In addition, the FIC sent 57 requests for information to foreign financial intelligence units.

A further 140 reports on illicit financial flows were shared with stakeholders focusing on the specific theme. These reports were submitted to law enforcement and other competent authorities in the criminal justice system for investigation.

The FIC prioritises matters as high or medium-to-low based on the extent and complexity of the investigation, monetary value, profile of the perpetrators and the victims, the types of crimes, and public interest. Proactive reports also help identify high-priority strategic crimes in the country.

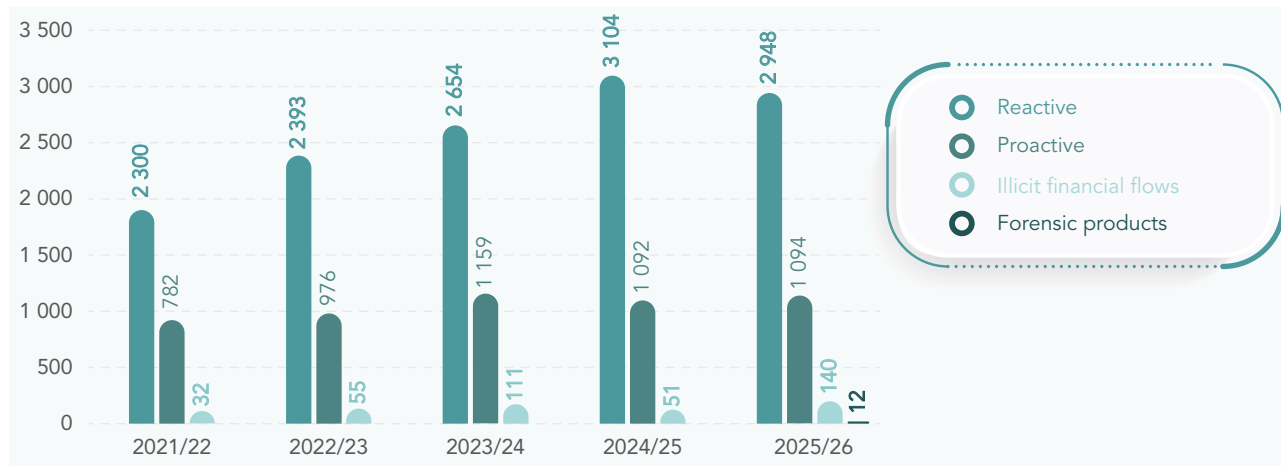


Figure 3: Proactive and reactive financial intelligence reports produced as well as forensic products.

The FIC continues to analyse international funds transfer reports to detect the electronic illicit cross-border movement of funds. Illicit financial flows are cross-border movements of money that are illegally earned, transferred, or utilised. Such flows can pose significant risk to the economic growth of a country. Illicit financial flows undermine a country's ability to grow and invest in its future. It discourages private investment and misdirects public sector spending. The FIC leverages the rich data reservoirs at its disposal from the volumes of regulatory reports and other information such as suspicious and unusual transaction reports and cash threshold reports it receives from accountable institutions.

Using data mining techniques, the FIC can interrogate and analyse the data to produce financial intelligence reports to identify patterns

and trends relating to money laundering, financing of terrorism, and proliferation financing. The financial intelligence reports are shared with law enforcement authorities as well as other domestic and international stakeholders.

Most reactive and proactive financial intelligence reports by crime type in 2025/26, as depicted in Figure 3, relate to money laundering, fraud, bribery and corruption, and financing of terrorism. A total of 1 977 reports were produced on money laundering related offences, consisting of self-money laundering (1 082), money laundering (592), third-party money laundering (206), professional money laundering networks (63) and individual professional money laundering (34).

INFO BLOCK

Third-party money laundering can be described as the laundering of proceeds by a person who was not involved in the commission of the predicate offence.

Self-money laundering can be described as the laundering of proceeds by a person who was involved in the commission of the predicate offence.

Professional money launderers are individuals or organisations that specialise in providing services to launder money for others. They may work as individuals, within structured organisations, or in networks, and they often have specialised expertise in placing, layering, and integrating funds.

Source: FATF

Crime type	Reactive financial intelligence reports	Proactive financial intelligence reports	Total	Crime type	Reactive financial intelligence reports	Proactive financial intelligence reports	Total
 Self-money laundering	1 061	21	1 082	 Robbery	31	5	36
 Money laundering	333	259	592	 Other acts against public safety and state security	28	7	35
 Fraud	271	231	502	 Individual professional money laundering	33	1	34
 Bribery and corruption	216	99	315	 Human trafficking	28	0	28
 Financing of terrorism and terrorism	140	110	250	 Blackmail and extortion	18	9	27
 Third-party money laundering	200	6	206	 Illegal mining	15	5	20
 Other*	135	4	139	 Hijacking and kidnapping	10	9	19
 Narcotics	106	20	126	 Other acts against public administration or regulatory provisions	15	1	16
 Environmental crimes	87	29	116	 Acts against state security	11	0	11
 Targeted strategic intelligence	0	88	88	 Acts against commercial or financial regulations	7	6	13
 Professional money laundering	63	0	63	 Acts relating to firearms, weapons and explosives and smuggling	10	0	10
 Acts against public revenue provisions	23	35	58	 Illicit enrichment	9	0	9
 Intentional homicide	37	21	58	 Trafficking of firearms	6	1	7
 Theft and burglary	41	5	46	 Strategic intelligence	0	5	5
 Child pornography	0	42	42	 Acts related to an organised criminal group	4	0	4
 Trafficking in persons	4	38	42	 Cybercrime	3	0	3
 Acts contrary to public revenue or regulatory provisions	3	37	40	Total proactive and reactive reports**	2 948	1 094	4 042

* Other includes criminal acts not elsewhere classified such as include acts against the justice system, damage to property, compliance inspections, due diligence requests, strategic intelligence, migration and credit provider sector reports.

** Total excludes 140 reports on illicit financial flows and 12 forensic reports produced.

Figure 4: Proactive and reactive financial intelligence reports produced by crime type in 2025/26

Improving stakeholder relations

The FIC has placed a high premium on improving and building on its stakeholder relationships during the year under review to ensure the increased use of financial intelligence products by our law enforcement partners and other competent authorities.

To that end, the FIC conducted stakeholder awareness sessions with law enforcement partners over the past year to foster understanding of how South Africa's financial intelligence unit can better support investigations.

As part of efforts to embed the use of FIC products, the organisation provided three days of training to law enforcement officers who are authorised to request and receive financial intelligence in the execution of their official duties. The training programme included the implementation of satisfaction surveys, practical sessions on the use of the FIC's reporting platform, and ongoing follow-up to address technical and administrative challenges.

The FIC rolled out a custom-built electronic solution to help streamline the receipt of requests from and the dissemination of intelligence reports to law enforcement partners through the FIC registration and reporting platform, goAML. Since the goAML system was implemented at the FIC in 2014, more than 80 authorised officers have been onboarded through targeted awareness sessions and more authorised officers have been brought on board through the training programme.

The training programme covered other topics including the end-to-end use of financial intelligence in investigations, from understanding the role of authorised officers and FIC support services, to applying typologies, operational tools and co-operation mechanisms.

The FIC also explained key concepts through typologies on money laundering and operational case studies demonstrating the use of financial intelligence reports in support of investigations.

Apart from the training programme, the FIC also participated in strategic and operational planning sessions involving other law enforcement agencies, including a National Prosecuting Authority session on combating organised crime, aligned to the national risk assessment focus areas.

Adding value through strategic financial intelligence

As a strategic imperative, the FIC continues to align its core activities with the expectations of both external and internal stakeholders in ensuring the integrity of the financial system.

With this in mind, the FIC has expanded the range of strategic financial intelligence products it provides, and strengthened collaborations with government departments, agencies, and private sector entities.

The FIC conducts strategic analysis of regulatory reports to identify patterns, trends, and methods associated with money laundering, terrorist financing, and proliferation financing. By conducting comprehensive analysis of report data, the FIC can ascertain financial crime methods and identify financial crime methods peculiar to specific sectors, including high-risk sectors or throughout the wider financial system.

Evaluations of these sectors enable accountable institutions, law enforcement agencies, and other relevant authorities to recognise risks associated with money laundering, terrorist financing, and proliferation financing, and to implement appropriate measures to address those risks.

In addition, the FIC produces provincial strategic intelligence reports, sector risk assessment documents, as well as trends and pattern analyses that examine both emerging and significant crime types by region, including profiles of alleged perpetrators.

Strategic financial intelligence is shared with a wide spectrum of law enforcement agencies such as Crime Intelligence and the Directorate for Priority Crime Investigation of the South African Police Service, the South African Revenue Service, the South African Reserve Bank, the National Competition Commission as well as other domestic and international stakeholders.

During the year under review, the FIC provided analytical products for stakeholders functioning on the strategic and policy level such as the National Intelligence Co-ordinating Committee (NICOC) and the Department of International Relations and Cooperation.

In addition to the crime-specific publications, the FIC compiled strategic intelligence reports focused on sectors under the ambit of the FIC Act. The aim of the strategic analysis is to provide law enforcement agencies, accountable institutions, supervisory bodies, and other competent authorities with financial intelligence observations. These reports assist with decision-making, support resource allocation, promote domestic and international co-operation and raise public awareness of the risks associated with money laundering, terrorist financing, and proliferation financing.

During the year under review, the FIC completed eight strategic intelligence reports, four sector risk assessment reports, two trend and typology reports and other threat-based strategic reports. These reports are for the use of both accountable institutions and partners within the financial crime fighting sphere.

Blocking and recovering funds

The FIC has the power to block or freeze funds that are suspected to be the proceeds of crime. It can use a section 34 directive to instruct an institution not to proceed with a transaction for a period of 10 working days. This allows the FIC to make the necessary enquiries concerning the transactions and, where necessary, to inform and advise an investigating authority or the National Director of Public Prosecutions.

The FIC also shares this information with the Asset Forfeiture Unit, which can seize and take control of the funds if necessary.

The FIC's intelligence reports make a tangible impact in the fight against financial crime, one of which results in the blocking and recovery of monies and assets, and bringing criminals to justice. The other tangible impacts include its material being used in investigations and prosecutions, which lead to criminals being put behind bars. Importantly, the FIC has no control over recoveries as these depend on the facts associated with each criminal matter. Close to R37.5 million in proceeds was recovered in cases where the FIC's financial intelligence was used.

INFO BLOCK

Succulent poaching and associated financial flows

The FIC examined the transactional behaviours and patterns, and possible money laundering activities of role players involved in succulent poaching.

Drawing on financial intelligence developed from 353 regulatory reports submitted by accountable institutions between January 2020 and September 2024, the FIC identified patterns in the movement of funds within South Africa and across nearby borders.

The report entitled, 'The poaching of South Africa's rare and indigenous succulents – Associated financial flows', provides case studies, indicators and typologies.

The aim of the financial flow analysis report is to provide actionable information that will aid law enforcement and others involved in the work of stemming these flora crimes. The case studies, indicators and typologies contained in the report are for the awareness and use of financial and non-financial institutions in detecting and responding to the financing and use of proceeds by harvesters, transporters and others involved in succulent poaching.

When receiving requests or information to institute its powers in terms of section 34 of the FIC Act, the FIC must evaluate and verify the request or information to ensure that substantiating proof exists to justify the block. The FIC subsequently needs to liaise with relevant role players in the value chain to confirm the facts of the matter and ensure that factual support or proof exists to justify the issuing of a section 34 directive.

Enquiries are done with the respective institution(s). Feedback received is evaluated against evidence to support the issuing of a section 34 directive or to advise that, where funds were dissipated, a directive could not be issued.

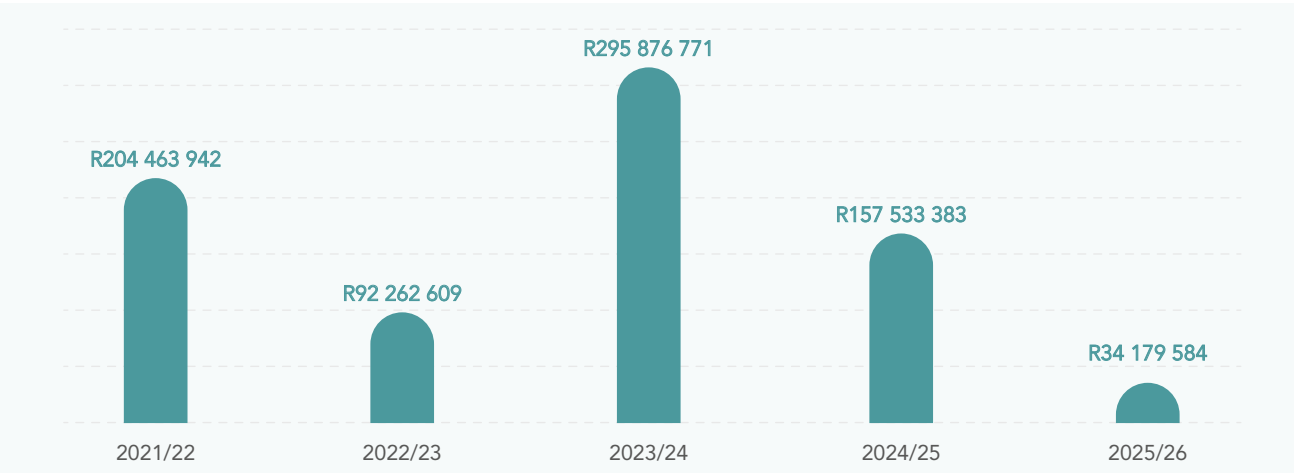


Figure 5: Value of suspected crime proceeds frozen in terms of section 34 of the FIC Act



4 194

Financial intelligence reports including 2 948 reactive reports, 1 094 proactive reports, 140 on illicit financial flows and 12 forensic products were produced

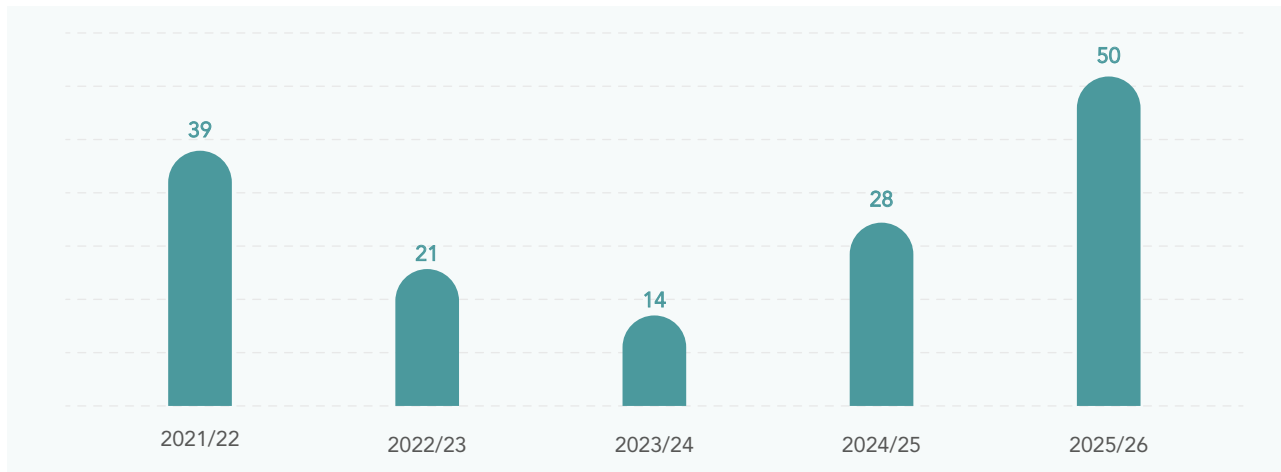


Figure 6: Number of court affidavits produced contributing to judicial actions



CASE STUDY

Extortion in long-distance buses

The FIC received a request from SAPS DPCI, Crime Intelligence and provincial detectives regarding individuals suspected of extortion.

The subjects acted in concert as part of a structured criminal enterprise, systematically extorting money from bus companies through threats, intimidation and violence. Prosecutors alleged that operators were forced to make substantial payments in exchange for “protection” and the ability to operate without interference on their licensed routes.

The subjects’ demands were enforced through co-ordinated acts of intimidation, including threats of violence, disruption of operations and, in some

instances, the unlawful detention of individuals. Complainants from large bus companies including Intercape alleged that several bus companies made payments under duress, supported by financial records and corroborating statements. These payments were allegedly distributed among members of the group as part of an organised scheme.

The FIC requested information from the banks which it used to establish which bank accounts were held by the suspects. The FIC then obtained bank statements for those accounts. Through financial analysis, the FIC established that the pattern of cash deposits and transaction narrations in the accounts appeared to be

intended to obscure the true source of the funds. These illicit funds could easily be co-mingled with funds derived from legitimate business interests. The scrutinised bank account may therefore have been used as a conduit to facilitate illegal activities.

Financial analysis showed how the funds were used and to whom they were transferred. Continued collaboration between the FIC, DPCI and Crime Intelligence contributed to the arrest of the subjects. The suspects were expected to appear in the Cape Town Magistrate’s Court on 31 March 2026 on 125 charges, including intimidation, interference with essential infrastructure, extortion and money laundering.

Asset Recovery Hub

The Asset Recovery Hub started as a pilot programme in November 2023 to accelerate the recovery of assets suspected to have been derived from unlawful activities such as corruption, fraud, tax evasion and money laundering.

Spearheaded by the FIC and established under the auspices of the Anti-Financial Crime Coalition, the hub brings together key law enforcement and prosecutorial partners to strengthen co-ordination and collaboration on money laundering matters. The hub is made up of the FIC, the Directorate for Priority Crime Investigation (DPCI), the National Prosecuting Authority (NPA), and the Asset Forfeiture Unit (AFU).

Each partner contributes to the Asset Recovery Hub by operating within their distinct legislative framework and parameters, focusing their expertise, skills, and experience.

At the centre of this approach is the strengthening of South Africa's non-conviction-based confiscation regime, which allows authorities to preserve and ultimately forfeit assets linked to criminal activity without requiring a prior criminal conviction. Within this framework, the FIC plays a pivotal role as the primary source of financial intelligence.

Accountable institutions submit suspicious and unusual transaction reports to the FIC, which are then analysed and converted into proactive financial

intelligence reports. Where those reports reveal indicators of money laundering or related predicate offences, they are referred to the Asset Recovery Hub for further action.

The DPCI then undertakes the required investigations to turn intelligence into admissible evidence. Once assets have been identified for recovery, the AFU is responsible for the preservation and forfeiture processes.

In this way, the Asset Recovery Hub helps transform intelligence into court-ready matters, ensuring that assets relating to money laundering are not pilfered.

The Asset Recovery Hub reached a significant milestone at the end of the previous financial year when it secured its first forfeiture order in March 2025. This coincided with a shift in strategy with the rollout of the hub model to all AFU regions across the country, ensuring operational capacity was located close to where cases arise.

National co-ordination of the Asset Recovery Hub remained anchored at the FIC, which continues to oversee the quality, consistency and accountability of intelligence products referred through the hub.

The FIC has seen an increase in the number of suitable intelligence products being channelled to the hub, while interest and participation from senior officials have also intensified. This growing institutional buy-in suggests that the value of the Asset Recovery Hub is increasingly being recognised as a force multiplier for inter-agency collaboration and more effective case development.

Since its establishment, the Asset Recovery Hub has delivered. To date, eight forfeiture orders, with a combined value of more than R35 million, have been obtained through matters processed within this framework.

These early outcomes demonstrate the potential of the hub to convert financial intelligence into tangible asset recovery, while reinforcing the broader objective of denying criminals the proceeds of crime. As the model matures, the Asset Recovery Hub is expected to remain an important instrument in strengthening South Africa's response to complex financial crime.

INFO BLOCK

The term **asset recovery** refers to the process of identifying, tracing, evaluating, freezing, seizing, confiscating and enforcing a resulting order for, managing, and disposing of (including returning

or sharing), criminal property and property of corresponding value.

Source: FATF

South African Anti-Money Laundering Integrated Task Force

Established in December 2019 by the FIC, the South African Anti-Money Laundering Integrated Task Force (SAMLIT) is a financial information sharing partnership between the banking community and the public sector.

At the coalface of the transactional environment, banks are optimally positioned to identify the modus operandi of criminality and share this knowledge with other banks and the regulators.

Through its work, SAMLIT identifies specific types of activities and behaviour associated with different types of crimes. These typologies are intended to increase knowledge on and possibly pre-empt some types of criminal behaviour.

SAMLIT's steering committee, which is chaired by the Director of the FIC, oversees the implementation of the partnership's strategic objectives and operational priorities. Partners are drawn together on a case-by-case basis, which enables them to quickly identify and share details that can be analysed and passed on to law enforcement and prosecutorial authorities for investigation and asset forfeiture.

SAMLIT shares knowledge mainly via meetings and webinars, and reports compiled by expert working groups. During the period, SAMLIT hosted three webinars, in which domestic experts presented on topics including trade-based money laundering, abuse of attorney trust accounts and customs valuation, rules of origin, and tariff classification. Membership

The public-private financial information sharing partnership is made up of domestic and international banks, the South African Banking Risk Information Centre and The Banking Association South Africa. Regulatory authority members include the FIC, and SARB's Prudential Authority and Financial Surveillance department.

SAMLIT operational arrangements

In operationalising its work, SAMLIT creates specialised groups, namely expert working groups and tactical operations groups.

Expert working groups

Research to identify and analyse international and local trends and threats is conducted through SAMLIT expert working groups.

Typologies and solutions are developed from the research which are then shared with the relevant public and private partners, including law enforcement agencies, to enhance understanding and improve the effectiveness of combating such threats.

In 2025/26, expert working groups commenced identifying for deep analysis remote gambling, fraud committed against deceased estates, and understanding the terrorist financing risk posed to non-profit organisations.

In addition, an expert working group report on financial flows and key indicators associated with the illicit drugs trade was released in October 2025. Recommendations from the report are being implemented to improve detection and filing of regulatory reports and aiding law enforcement agencies in their investigations into serious illicit drug and money laundering crimes.

Tactical operations groups

The role of SAMLIT tactical operations groups is to swiftly and strategically assist in dealing with unfolding crime. Made up of the FIC, various representatives of law enforcement and the banking sector, tactical operations groups deal with matters where there is an intersect between the banking sector and crime.

During the period under review, nine tactical operations groups were formed to deal with serious financial crimes and investigations into the operations of a Ponzi scheme, a pyramid scheme, and illegal trade in wildlife.

Financial institutions assisted with tracing proceeds from the Ponzi scheme amounting to R4 392 034.53. The proceeds of crime were layered through six different bank accounts before arriving at the destination account.

Multiple meetings were held with SAMLIT members and the law enforcement agencies to provide enhanced assistance in the various investigations. Successes achieved by various tactical operations groups during 2025/26 include those mentioned in the case studies in this annual report.

Training on illicit financial flows

National Treasury, the FIC and the South African Revenue Service formed a multi-agency working group to better tackle illicit financial flows (IFFs) through co-ordinated efforts spanning compliance, intelligence, and enforcement.

The purpose of the year-long training programme was to enhance institutional knowledge and strength against IFFs through the SecFin Africa International Capacity Building Project. The training focused on improving fragmented information exchange through stakeholder engagement, diagnostic studies, and a cryptocurrency pilot to address legal, technological, and co-ordination challenges.

The crypto currency pilot involved engagement with banks, crypto asset service providers, and regulators, assessing data gaps, legislative frameworks, and technology readiness, highlighting broader issues of data fragmentation and interoperability in crypto oversight.

The team was introduced to the evidence-based approach for problem diagnosis and solution adaptation, while promoting stronger inter-agency co-ordination and compliance with international AML and CFT requirements.

Combating illegal movement of money across borders: Inter-Agency Working Group on Illicit Financial Flows

During the reporting period, the FIC continued to provide secretariat support and to chair the Inter-Agency Working Group on Illicit Financial Flows (IAWG: IFFs) which was established in 2017/18 to counteract the illegal movement of money out of South Africa. There are nine different government bodies involved in this working group: FIC, SARS, SARB's PA and Financial Surveillance department, DPCI, SAPS, FSCA, AFU, NPA and SIU as well as any additional agency, upon invitation.

Through the work of the IAWG: IFFs, South Africa can identify, counter and eradicate illicit financial flows adequately, making it more difficult for criminals to exploit systemic weaknesses.

The working group has, throughout the years, assisted law enforcement agencies in disrupting criminal activities, freezing assets and recovering monies.

The IAWG: IFFs is currently monitoring 10 cases of which two are court directed. One matter, involving a Ponzi scheme with estimated losses of R126 million to investors, resulted in a conviction.



R37.5 million

Was recovered through the use of the FIC's financial intelligence



CASE STUDY

Financial intelligence supports action against Ponzi scheme and illicit financial flows

The FIC's contribution to a multi-agency investigation helped support enforcement action in a matter involving a Ponzi scheme, the illicit financial flows from South Africa and potential investor losses estimated at approximately R126 million.

The case related to a fraudulent investment scheme that resulted in the unlawful movement and use of funds outside the Republic.

The matter was dealt with through the Inter-Agency Working Group on Illicit Financial Flows, reflecting the importance of collaboration in disrupting complex financial crime. The agencies involved included:

- South African Reserve Bank (SARB)
- Asset Forfeiture Unit (AFU)
- National Prosecuting Authority (NPA)
- South African Police Service (SAPS)
- Directorate for Priority Crime Investigation (DPCI)
- South African Revenue Service (SARS)
- The FIC

The FIC disseminated multiple financial intelligence reports to relevant law enforcement agencies in support of the investigation. These reports assisted investigators and prosecutors by providing financial intelligence to support the tracing of funds, strengthen the evidentiary picture and inform asset-recovery processes.

As part of the asset-recovery efforts linked to the matter, a preservation order of R71 612 623.22 was obtained. A restraint order of approximately R77 million was also obtained, although this was subsequently set aside.

The case resulted in a conviction. In respect of the fraud counts, the accused was sentenced to 15 years' imprisonment, wholly suspended for five years with conditions.

The accused was also sentenced in terms of section 4(a) of the Prevention of Organised Crime Act, 1998, to 15 years' imprisonment, wholly suspended for five years with conditions. The accused was further declared unfit to possess a firearm in terms of section 103 of the Firearms Control Act, 2000.

This matter demonstrates the value of financial intelligence in supporting the investigation of complex financial crime, strengthening collaboration among competent authorities and assisting efforts to recover assets linked to illicit financial flows.

Reformed Fusion Centre

During the reporting period, the FIC continued to lead the operational hub of the Reformed Fusion Centre under the National Priority Crime Operational Committee (NPCOC).

The public-public crime fighting alliance serves as a central co-ordination and support platform to address illegal financial flows, money laundering and terrorist financing through collaboration among relevant agencies in South Africa.

Hosted at the FIC headquarters, the hub maintains a comprehensive case database through an integrated case management system, providing partners with a view of matters at various stages of the criminal justice process.

Membership

The multi-disciplinary initiative provides a national hub for addressing national priority crimes as defined in Section 17A of the South African Police Service Act, 1995 (Act 68 of 1995), specifically related to money laundering, corruption, racketeering and terrorist financing, and/or other related activities in all regions and provinces of South Africa. Collaborating institutions include the SFC, NPA, Investigating Directorate against Corruption (IDAC), AFU, SIU, SARS, DPCI, SAPS’ Detectives and Crime Intelligence, the National

Intelligence Co-ordinating Committee and the State Security Agency. Each entity operates within its own mandate and brings to the hub its expertise and experience.

Achievements in 2025/26

Over the past year, 1 174 cases were recorded on the integrated case management systems, made up of 619 universal cases, 555 COVID-19 disaster relief matters, one terrorist financing matter and four foreign bribery matters.

Within the COVID-19 disaster relief portfolio, the Reformed Fusion Centre monitored 31 matters before the courts and 40 matters at various stages of investigation.

Table 20: Status of COVID-19 disaster relief matters as at year end in 2025/26

Status	Count
Case in court	31
Case pended for closure	2
Cases pended for court	15
Closed	346
Finalised in court - guilty	12
Finalised in court - not guilty	3
Provisionally closed	96
Provisionally withdrawn	10
Under investigation	40
Total	555

The 619 universal cases include four NPCOC-approved priority projects targeting complex money laundering. Across these projects, 65 case dockets have been registered, with an aggregate value of R14.7 billion. Of the 619 universal cases, 264 remain under investigation, 140 are before the courts, 60 have been finalised with a guilty verdict, and 120 are closed.

Table 21: Status of the universal money laundering matters

Status	Count
Case in court	140
Cases pending for court	25
Matter closed	120
Conviction	60
Not guilty verdict	2
Prosecutors declined to prosecute	5
Provisionally withdrawn	3
Under investigation	264
Total	619

To strengthen consistency and governance within the Reformed Fusion Centre, the NPCOC recommended the development of a standard operating procedure. This will help formalise the Reformed Fusion Centre’s role as the central repository for money laundering matters, including requirements for case registration and protocols for engagement with other government agencies.

CASE STUDY

Priority cases

Department of Health Project: Five case dockets have been registered and are still under investigation. A total of 106 disciplinary matters were referred. Asset recovery processes were instituted with the Asset Forfeiture Unit obtaining two preservation orders to the value of R373 million while SARS obtained a tax debt collection order to the value of R1.9 billion. The SIU also instituted civil litigation resulting in a preservation order for pension funds and assets in one matter while securing an acknowledgment of debt for R13 million in another.

Project Foxtrot: A mutual legal assistance process has been initiated involving nine countries including the United Arab Emirates, Mauritius, New Zealand, Zimbabwe, Hong Kong and Switzerland. Four case dockets have been registered and are still under investigation.

Compensation Fund Project: The FIC has blocked 157 accounts through section 34 interventions to the value of close to R93 million while the AFU has obtained preservation orders to the same value. A total of 10 accused were arrested in two cases and appeared in court with seven convictions being secured. Twenty-seven case dockets have been registered and are still under investigation.

Project Jan Vas: A total of five accused were arrested and appeared in court. Twenty-nine case dockets have been registered and are still under investigation.

The FIC dealt with more than 60 urgent requests from the Madlanga Commission. Information requested and proactively provided by the FIC enabled the Commission to gather intelligence and convert it into evidence. The evidence was then presented in the Commission which has identified criminal liability in certain instances for investigation by relevant agencies. The FIC continues to deal with matters relating to the Madlanga Commission as a priority.

Commission of Inquiry into State Capture recommendations

As part of the recommendations of the Judicial Commission of Inquiry into Allegations of State Capture (Zondo Commission), the FIC was directed to complete a review into deficiencies relating to its mandate.

The Zondo Commission recommended a review of the FIC's regulatory reporting regime effectiveness. Judge Raymond Zondo observed that money laundering networks implicated in state capture crimes were flexible and sophisticated. Once an entity in the network was linked to suspicious activities, a different entity was immediately available to take its place. This ensured that money constantly moved between network entities, often through channels and methods designed to conceal these activities.

Support for the Madlanga Commission

President Cyril Ramaphosa announced on 13 July 2025 the establishment of the Judicial Commission of Inquiry into Criminality, Political Interference and Corruption in the Criminal Justice System (Madlanga Commission).

Chaired by Justice Mbuyiseli Madlanga, the commission was tasked with investigating systemic criminality, political interference, and corruption within South Africa's criminal justice system, prompted by allegations of high-level police collusion with criminal syndicates.

The Madlanga Commission approached the FIC to assist in analysing financial flows, identifying illicit wealth, and uncovering money laundering networks linked to corrupt officials and syndicate members. Designated Commission personnel were registered with the FIC as authorised officers in terms of section 40 of the FIC Act. An authorised officer is a formally designated official from a mandated stakeholder. These individuals are authorised to request and receive financial intelligence and reports from the FIC.

Failure to identify and expose these networks, Judge Zondo found, could point to flaws in the current legislative and enforcement system, which enabled these money laundering networks to continue to launder money through various channels undetected.

The FIC appointed an independent law firm to review the effectiveness of the regulatory reporting regime under the FIC Act. The review examined banks' reporting of state capture transactions, the FIC's actions, referrals to law enforcement, and subsequent responses by law enforcement agencies.

The FIC carefully considered the findings from the independent review and evaluated the way it received requests, allocated, analysed and reported its financial intelligence.

An action plan emanating from the review focused on strengthening internal processes, improving turnaround times, enhancing proactive intelligence efforts and enforcing collaboration with competent authorities.

The FIC submitted the Independent Review Report together with the remedial action plan to the Presidency on 16 July 2025. All action items in the action plan were then addressed, and a close-out report was submitted to the Presidency by 31 March 2026.

Turning intelligence into evidence

The Shared Forensic Capability (SFC) division continued to operate in a formative and capacity-building phase during the 2025/26 financial year, with a deliberate focus on establishing a sustainable, specialised forensic function within the FIC.

The SFC represents a strategic response to identified gaps in South Africa's ability to effectively investigate and prosecute complex financial crime, particularly in the context of international standards and the country's mutual evaluation commitments.

The division provides specialist forensic accounting, financial analysis and evidentiary support to law enforcement agencies and prosecutorial authorities. Its role is to translate financial intelligence into court-ready evidence, thereby enabling investigations, strengthening prosecutions, and supporting the recovery of proceeds of crime.

While the SFC does not itself conduct investigations, it plays a critical enabling role in the criminal justice system by providing expert analysis, producing forensic reports and affidavits, and supporting courts in understanding complex financial transactions and flows.

Service delivery and operational contribution

During the reporting period, the SFC focused on delivering high-quality forensic outputs aligned with its mandate and annual performance plan targets. These outputs included:

- Forensic reports supporting investigative processes
- Sworn affidavits for use in court proceedings.

Aimed at strengthening the evidentiary basis of complex financial crime cases, these products were prepared for a range of stakeholders, including law enforcement agencies, prosecutorial authorities and asset recovery bodies.

The SFC's work involves detailed tracing of proceeds of crime, validation of supporting financial records, and the preparation of structured, defensible forensic analysis. In many instances, this work supports asset forfeiture processes and contributes to broader efforts to recover illicitly obtained funds.

Despite operating in a constrained environment, the SFC demonstrated improved efficiency and effective prioritisation of high-impact matters, meeting planned output targets for forensic reports and affidavits during the period.

A structured case selection approach is applied to ensure that limited resources are directed towards matters that are:

- High value
- Complex in nature
- Likely to have significant prosecutorial or asset recovery impact.

Demand for services and operating context

The demand for SFC services remained consistently high throughout the financial year, reflecting both the growing complexity of financial crime and increased reliance on forensic evidence in the criminal justice process.

Requests for support were primarily received from law enforcement agencies, prosecutorial authorities, and asset recovery entities such as the AFU and Special Investigating Unit (SIU).

This demand significantly exceeded available capacity, highlighting both the strategic importance of the SFC and the need for continued investment in forensic capability development.

It is important to note that many SFC-supported matters are subject to ongoing investigations and court processes, which limits the extent to which outcomes can be publicly reported. The absence of

publicly visible outcomes within the reporting period should therefore not be interpreted as an absence of impact. Rather, it reflects the complexity, duration and evidentiary requirements associated with financial crime investigations and prosecutions.

Table 22: Number of forensic products issued by the SFC during 2025/26

Details	2024/25	2025/26
Total number of forensic products issued (more than one forensic product can be issued per matter, e.g. to support asset preservations, arrest warrants, etc.)	12	13
Total rand value of assets referred for asset preservation, forfeiture and/or restraint	R14.37 million	R77.2 million

Table 23: Number of high-priority and complex cases handled since the SFC’s inception

High-priority and complex cases since SFC inception	
Active cases under investigation and analysis	24
Matters before court	10
Matters where forensic products were issued, but awaiting feedback from law enforcement agencies	5
Matters closed following due diligence	12
Total	51

SFC-referred cases cover a wide range of financial and priority crimes, including racketeering, money laundering, corruption, fraud, theft, Public Finance Management Act contraventions, narcotics-related offences, extortion, and illicit wildlife trade.

These cases are spread across multiple lead agencies, including the DPCI, AFU, NPA (various divisions), SAPS detectives, SIU, Military Police, and other combined agency collaborations.

The SFC’s work during the year provided insight into several recurring patterns and trends in financial crime. A significant portion of the SFC’s workload related to large-scale commercial crime, particularly involving public procurement. These cases often involve:

- Manipulation of tender processes
- Payments for goods or services that are not delivered, partially delivered, or delivered at inflated prices
- Co-ordinated activities by networks of individuals and entities to extract funds from the state.

Organised crime

The SFC observed increasing convergence between organised criminal networks and legitimate business structures. Criminal proceeds are frequently reinvested into other illicit activities, creating interconnected crime ecosystems.

There is also a strong transnational dimension with South Africa functioning both as a destination market and a source country for various forms of illicit trade. Corruption, particularly involving public officials, remains a key enabler in facilitating and concealing criminal activity.

Money laundering

Money laundering practices ranged from relatively simple self-laundering to highly sophisticated, multi-layered schemes involving networks of mule accounts, shell companies, and complex transactional layering across multiple financial institutions.

The SFC also identified the increasing use of professional money laundering enablers, including legal and accounting structures to facilitate the movement and concealment of illicit funds.

These trends highlight the growing sophistication of financial crime and underscore the critical need for advanced forensic capabilities and specialised expertise.

Capacity and capability building

A key focus area for the SFC during the reporting period was the development of sustainable forensic capability through targeted capacity-building initiatives.

Progress was made in establishing foundational staffing structures and implementing a structured skills development approach, including a graduate development framework based on recognised professional standards. This framework incorporates work-integrated learning to identify and address skills gaps while building a pipeline of future forensic specialists.

Strategic partnerships have played an important role in supporting capacity development. Notably, collaboration with the North West University, in terms of a memorandum of understanding concluded in 2022, enabled the development of analytical tools by post-graduate students, who were subsequently onboarded as junior data technologists to support the SFC's work.

The SFC also maintained strong collaborative relations with law enforcement agencies, prosecutorial authorities, asset recovery entities, and other divisions within the FIC.

These partnerships facilitate knowledge sharing, enhance investigative outcomes, and contribute to the overall strengthening of the financial crime response framework.

Technology development and innovation

Recognising the increasing volume and complexity of case data, the SFC prioritised technology-driven solutions to enhance efficiency and analytical capability.

During the reporting period, work progressed on the development of automated tools for bank statement analysis and the creation of single-view profiling tools to consolidate data from multiple sources.

In addition, the SFC advanced the procurement of an eDiscovery solution designed to manage and analyse large volumes of unstructured data, including e-mails, documents and media files. This capability will significantly improve the speed and depth of forensic analysis, enabling more effective identification of evidentiary material.

These technological initiatives are expected to deliver benefits not only to the SFC but also to the broader FIC, including enhanced support for regulatory compliance, due diligence and regulatory activities.

Contribution to national AML and CFT objectives

The SFC contributes directly to South Africa's anti-money laundering and counter-terrorist financing objectives by strengthening the country's ability to investigate, prosecute and recover the proceeds of financial crime.

Its work supports key national priorities, including enhancing the effectiveness of investigations and prosecutions, supporting asset recovery processes, and contributing to South Africa's preparation for the next mutual evaluation.

The continued development of the SFC demonstrates the country's commitment to building a robust, co-ordinated and effective response to financial crime, aligned with international standards and expectations.

The SFC currently faces ongoing challenges in terms of staffing and resources. While the team is committed to supporting law enforcement and prosecution in every way possible, the limited capacity restricts its ability to fully respond to the growing volume and complexity of requests. Addressing these resource constraints would further enhance the division's impact and ensure timely, comprehensive assistance to all stakeholders.

As the capability continues to mature, the FIC is expected to play an increasingly significant role in enhancing the integrity of South Africa's financial system, supporting the criminal justice process, and contributing to the recovery of illicit proceeds.



CASE STUDY

Illegal mining involving the theft of platinum

The FIC received a request to assist with an ongoing investigation into a syndicate involving individuals and entities allegedly involved in the theft of platinum.

According to the requester, platinum was stolen from mines and then sold to six entities suspected of being refineries that were assisting individuals involved in illegal platinum trade. It was suspected that the individuals dealing in the platinum were generating income from stolen platinum.

The FIC established a SAMLIT tactical operations group involving law enforcement and all banks with exposure to the investigated subjects to enhance, prioritise and expedite the investigation.

Regulatory reports were filed with the FIC, noting irregular transactions associated with the subjects and their linked entities through bank accounts, as well as gambling institutions associated with the subjects. The FIC also received international fund transfer reports associated with the subjects and entities, mostly involving countries including Denmark and Sweden.

Analysis of the various bank accounts of the subjects and entities showed that their annual credits and debits increased significantly from the year of the suspected offences.

The regulatory reports received from gambling institutions indicated that one of the subjects conducted unusual transactions that were considered suspicious and not in line with their profile. The subject was observed transacting with different gambling institutions using large transactions above the cash threshold. Regulatory reports revealed that the funds used by the subject were not generated at the gambling institutions and that the source of funds was unknown. It was also inferred that the individual used the gambling institutions and bank accounts to conduct multiple transfers to hide the true source of funds and make them appear legitimate.

Key indicators of illicit financial activity included multiple electronic funds transfers, cross-border transactions, large cash deposits, unknown sources of funds, high-value transactions with unknown references and the use of gambling institutions to disguise the source of funds.

The FIC compiled reports detailing all the information identified and shared the financial intelligence with law enforcement. The matter remains under investigation.

SUB-PROGRAMME 2.3:

Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on the AML and CFT framework

Purpose

The sub-programme administers the FIC Act and provides advice on matters of strategy and policy relating to money laundering and financing of terrorism. It also engages on behalf of South Africa with international and regional inter-governmental bodies, which formulate and promote policies on combating money laundering and financing of terrorism and that set standards on these matters for countries.

Strategic outputs

Sub-programme 2.3 contributes to the following institutional strategic outcomes:

- Support to ESAAMLG member countries to improve compliance with international standards
- Policy and legislation that is aligned with international standards.

Performance

During 2025/26, the FIC achieved three of its four targets under this sub-programme.

Highlights for the year include the following:

- The FIC contributed to South Africa's collective effort to strengthen the effectiveness of its AML and CFT regime and resolve deficiencies identified in the FATF mutual evaluation
- Responded to 100 percent of requests for technical assistance from ESAAMLG member countries.

Responded to 100 percent of requests for technical assistance from ESAAMLG member countries.

CASE STUDY

Cybercrime, fraud and theft

The FIC received information on a cyber fraud and theft matter in which the complainant stated that her banking app reflected unusual deductions that she had not authorised.

The FIC issued a section 34 directive on one bank account identified as receiving fraudulently obtained funds.

The complainant stated that she had visited a shopping complex and met two women wearing 'SavvySaver' golf shirts. They told her she could earn points if they scanned her grocery slip and guided her to download an app on her cell phone. She later suspected that they had scammed her

and had gained fraudulent access to her banking app. In total, she was defrauded of R131 065.

Analysis of the complainant's account and the subsequent transactional flow showed that debit order-type transactions were deducted and disbursed mainly to two entities' accounts, cell phone instant payments, PayShap payments, cash withdrawals and point-of-sale purchases.

Through its analysis the FIC identified available funds and secured R20 119.44 through a section 34 directive, after which the funds were preserved, in conjunction with the AFU, by means of a preservation order.

Table 24: Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.3

Outcome	Outputs	Output indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement	Reasons for deviations
Continuous improvement in the effectiveness of legal and institutional AML/CFT frameworks.	Support to countries within the ESAAMLG region to improve compliance with international standards.	3.1.1 Respond to requests for technical assistance from countries within the ESAAMLG region.	100%	100%	Responded to each request for technical assistance.	Responded to all 8 requests (8/8).	0	Target achieved.
	Policy and legislation that is aligned with international standards.	3.2.1 Number of policy-making activities attended within regional and intergovernmental organisations per annum.	Attended and participated in 6 FATF meetings and 1 ESAAMLG meeting	Attended and participated in 6 FATF meetings and 2 ESAAMLG meetings	Attended and participated in 6 FATF meetings and 2 ESAAMLG meetings.	Attended and participated in 6 FATF and 2 ESAAMLG	0	Target achieved.
		3.2.2 Timeous implementation of UNSC targeted financial sanctions.	All 169 UNSCR designations were effected on the FIC TFS website within 24 business hours of the designations made by the UNSC.	All 30 UNSCR designations were effected on the FIC TFS website within 24 business hours of the designations made by the UNSC.	New UNSC designations and changes to existing UNSC designations are implemented within 24 business hours of changes being made to the UNSC Consolidated List	168 of 169 New UNSC designations and changes to existing UNSC designations were implemented within 24 business hours of changes being made to the UNSC Consolidated List.	(1)	Target not achieved because the one change was not implemented within the 24-hour implementation due to a 25-day delay by the UNSC in providing the identifier details for newly designated people. This external delay made immediate implementation technically impossible.

Outcome	Outputs	Output indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement	Reasons for deviations
		3.2.3 Monitoring policy implementation pursuant to Money Laundering/ Terror Financing/ Proliferation Financing (ML/TF/ PF) NRA	N/A	<p>The Q4 report on the implementation of policies emanating from the ML/TF/PF NRA was delivered to the AML/CFT IDC.</p> <p>Q2 report on the implementation of policies emanating from the ML/TF/PF NRA was not delivered to AML/CFT IDC.</p>	Reported to AML/ CFT IDC on the implementation of policies emanating from the ML/TF/ PF NRA annually	1 report was submitted to AML/ CFT IDC on the implementation of policies emanating from the ML/TF/ PF NRA annually	0	Target achieved.

CASE STUDY

Dealing in drugs

The FIC received a request from SAPS and the AFU regarding an individual who was suspected of dealing in drugs.

The subject had been arrested in March 2011 by members of the Directorate for Priority Crime Investigation after they received information about mandrax being stored at an address in Kenilworth, Cape Town. The suspect was convicted at the beginning of 2026.

During the search, 24 719 mandrax tablets valued at more than R1 million were discovered concealed in potato bags. Also found and

seized were 262 818 mandrax tablets valued at more than R11 million, as well as 2.1 kg of crystal methamphetamine (tik) valued at R262 500. Cash amounting to R1 823 000 was also found concealed in potato bags.

The FIC requested information from the banks to ascertain which bank accounts were held by the suspect.

Through its analysis, the FIC established that the nature of the cash deposits and transaction narrations in the accounts appeared intended to obscure the true source of the funds. These illicit

funds could easily be commingled with funds derived from legitimate business interests. The scrutinised bank account may therefore have been used as a conduit to facilitate illegal activities.

The financial analysis showed how the funds had been used and to whom the funds were transferred.

Continued collaboration between the FIC, DPCI, the banking institution and the AFU contributed to the subject's conviction in 2026, on two counts of dealing in drugs and 14 counts of money laundering.

Keeping legislation and policies in step with global standards

The ever-evolving nature and complexity of financial crimes such as money laundering and terrorist financing require a responsive regulatory framework in sync with international standards and anchored in co-operation, co-ordination and collaboration among stakeholders.

The FIC is tasked with ensuring the robustness and effectiveness of South Africa's legal and institutional anti-money laundering, combating the financing of terrorism and combating the financing of proliferation (AML, CFT and CFP) frameworks.

Responsible for administering the FIC Act, the FIC assists in drafting legislative amendments, when necessary, to improve its effectiveness in tackling money laundering, terrorist and proliferation financing. In addition, the FIC provides strategic policy advice on combating money laundering and financing of terrorism.

Championing international collaboration

Guided by the FIC, South Africa continues participation in global organisations and regional initiatives, including the Financial Action Task Force (FATF) and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

As South Africa's financial intelligence unit, the FIC is part of South Africa's delegations to ESAAMLG and FATF. The FIC is also an active participant in and a member of the Egmont Group of Financial Intelligence Units (Egmont Group).

Advancing co-operation and information sharing across borders, the FIC signs memoranda of understanding (MoUs) with financial intelligence units from other countries.

These MoUs are geared to strengthen South Africa's capability for assisting and requesting assistance from international partners in combating financial and economic crime. In 2025/26, the FIC had in place 103 MoUs with peer financial intelligence units across the globe.

The ever-evolving nature and complexity of financial crimes such as money laundering and terrorist financing require a responsive regulatory framework tethered to international standards and anchored in co-operation, co-ordination and collaboration among stakeholders

Strengthening regional bonds

Forging regional AML, CFT and CFP ties can play a crucial role in dismantling cross-border criminal networks and ensuring funds meant for development on the continent is not pilfered.

With that in mind, the FIC provides support to member countries of ESAAMLG to improve compliance and alignment with international standards.

ESAAMLG objectives are to implement the 40 Recommendations of FATF, apply measures to combat money laundering, financing of terrorism, and any other related measures.

The FIC co-operates with ESAAMLG countries on helping to stem cross-border criminal activities. It provides co-operation relating to exchange of information and other financial intelligence unit operations.

Most requests for assistance come from counterpart financial intelligence units in the region. As part of its obligations, the FIC responds to requests received from other FIUs where they are acting on behalf of their domestic institutions.

In some instances, the FIC brings authorities from requesting countries in contact with South African colleagues including supervisory bodies, investigating and prosecuting authorities, for a broader exchange of information and experiences that will benefit those authorities.

Hands-on technical assistance

The FIC provides support to member countries of the ESAAMLG to improve compliance and alignment with international standards.

Several ESAAMLG member countries are putting in place policies and building institutional capacity to implement anti-money laundering and combating of terrorist financing measures consistent with standards set by international bodies.

Demand for support from the FIC remained strong in the financial year, particularly from countries seeking to enhance regulatory and operational frameworks in response to evolving anti-money laundering and counter-terrorist financing requirements.

The systems and policies for combating money laundering and financing of terrorism in countries in the region are still at various developmental stages.

In light of this, most technical support requests in 2025/26 from ESAAMLG member countries to the FIC related to:

- The development of operational capacity and capability for financial intelligence units
- Financial intelligence unit governance
- Regulating crypto assets
- Building capacity for AML and CFT compliance supervision
- The use of financial intelligence to combat terrorist financing
- ICT matters, particularly regarding operationalisation or optimisation of reporting systems.

These engagements were typically tailored to the needs of requesting jurisdictions, with subject-matter expertise drawn from within the FIC.

An emerging trend during the past two reporting periods was the growing demand for support in crypto asset regulation and supervision. Countries increasingly sought guidance on the regulation of crypto asset service providers and the implementation of Recommendation 15 of the FATF global standards. This Recommendation relates to mitigating money laundering and terrorist financing risks associated with new technologies, particularly crypto assets and crypto asset service providers.

During 2025/26, the FIC provided technical assistance to Kenya, Eswatini, Uganda, South Sudan, Angola, and Zambia. These engagements reflect continued regional co-operation and practical support to partner institutions on policy, regulatory and operational matters.

The FIC provided technical assistance to the ESAAMLG Secretariat in mapping out operational and administrative processes.

In addition to direct requests for assistance, the FIC also provided technical assistance facilitated through third-party collaborations, including those co-ordinated by domestic partners such as the South African Reserve Bank.

Information exchange platform

The FIC is the lead technology agency in the development of an information exchange platform that will enable ESAAMLG members to share information swiftly. Support included the crafting of the technical roadmap and assisting the ESAAMLG Secretariat on business mapping processes.

Following the launch of the information exchange platform in the previous financial year, the FIC hosted in-person training sessions to more than a dozen FIUs on the use of the system. With the majority of the 22 members of ESAAMLG registered on the platform the focus has shifted to adoption to ensure secure and effective information exchange among FIUs in the region.

Egmont Group of Financial Intelligence Units

The Egmont Group, of which the FIC is a member, is a global forum of 182 financial intelligence units. A key objective of the Egmont Group is to encourage financial intelligence units to exchange information to assist in combating money laundering and financing of terrorism.

The Egmont Group recognises financial intelligence sharing is central to the global fight against financial crime which is the cornerstone of international efforts to combat financial and economic crime. Membership of the Egmont Group extends the FIC's ability to exchange information with counterparts around the world.

The FIC's contribution to the Egmont Group

The FIC continues to play a pivotal part in global and regional forums, including ongoing contributions to structures linked to Egmont Group processes.

As a long-standing and active member, the FIC makes a valuable contribution to the Egmont Group ICT Renewal Project, which was launched in 2021. The renewal project is aimed at ensuring that the Egmont Group ICT system can fulfil the needs of the various financial intelligence units in terms of international information exchange.

The project is primarily aimed at upgrading the Egmont Secure Web which allows financial intelligence units to share in real-time encrypted financial intelligence and to collaborate on cases. Members can also share trends, exchange typologies, and best practices via the platform.

The FIC provides continuous support to the administrators of the Egmont Secure Web in terms of adopting new platform functionalities, contributing to testing and delivering technical management inputs.

Egmont Group readiness assessments

Upon request, the FIC undertakes assessments of readiness for candidate financial intelligence units to become Egmont Group members. The FIC also provides mentorship to these countries and co-sponsors them in their membership efforts. During the year under review, Mozambique was inducted as an Egmont member at plenary in July 2025 following multi-year assistance from the FIC.

The FIC sponsored and successfully defended the membership application of the Rwanda and Eswatini financial intelligence units. In addition, the FIC served as a mentor to Angola and Zambia in their Egmont sponsorship of Madagascar's financial intelligence unit.

Financial Action Task Force

South Africa is a member of the Financial Action Task Force (FATF), the international inter-governmental body that leads global action to tackle money laundering, terrorist and proliferation financing.

FATF conducts research on how money is laundered, how terrorism and proliferation is funded, sets and promotes global standards to mitigate the risks, and assesses whether countries are taking effective action.

The global anti-money laundering and combating of terrorist financing watchdog requires member countries to have the necessary frameworks in place, as well as to demonstrate the efficacy of the framework in its practical implementation.

In assessing countries' compliance with its standards, FATF follows different processes such as regular mutual evaluations and enhanced follow-up processes. A mutual evaluation is an important opportunity for a country to have its AML, CFT and CFP framework reviewed by its peers.

Exit from FATF grey list

In the mutual evaluation of South Africa in 2019, FATF pointed out that the country had high volumes of proceeds-generating crimes such as environmental crimes, bribery and corruption.

FATF evaluators also highlighted that state capture had hollowed out law enforcement authorities such as the South African Police Service (SAPS), the Directorate for Priority Crime Investigation (DPCI) (Hawks) and the National Prosecuting Authority (NPA).

The draft mutual evaluation report was discussed at the June 2021 FATF working group and plenary meetings. The FATF plenary concluded that South Africa had "a solid legal framework for combating money laundering and terrorist financing, but significant shortcomings remained".

South Africa was subsequently placed on the FATF 'enhanced follow-up process' and was granted a one-year period to address certain deficiencies, after which the country had to give feedback on progress made.

FATF recognised the significant and positive progress made by the country during 2022 in actioning the 67 recommended actions highlighted in the mutual evaluation report. For example, the country developed national AML and CFT policies to address higher risks and amended the legal framework for terrorism financing.

After considering South Africa's progress report, FATF decided to list South Africa as a jurisdiction under increased monitoring, commonly known as being placed on the grey list. The announcement was made on 24 February 2023.

FATF adopted South Africa's second enhanced follow-up report which included technical compliance re-ratings in October 2023. The country submitted its third follow-up report to the FATF meeting a year later in which it sought re-ratings in the outstanding Recommendations.

South Africa reached a significant milestone after exiting the enhanced follow-up process in November 2024 and will only report back to FATF on progress achieved in improving the implementation of the country's AML and CFT measures in the fifth-round mutual evaluations scheduled for 2026-2027.

The plenary found that overall, South Africa had made progress in addressing most of the technical compliance deficiencies identified in its mutual evaluation report.

In October 2025, FATF announced that South Africa had officially exited the grey list following an on-site visit at the end of July 2025 where the assessors confirmed the sustainability of reforms the country had instituted.

Throughout this process, the FIC supported South Africa's response through its legislative, policy, regulatory and co-ordination role, working with National Treasury and other competent authorities to help strengthen both technical compliance and the effective implementation of AML, CFT and CFP measures.

South Africa safely navigated itself out of grey listing in less than three years once again demonstrating the value of a unified approach between government, civil society and the private sector in solving complex problems. The process to exiting the grey list provided painful but valuable lessons as South Africa undertakes to close any remaining gaps in its AML, CFT and CFP framework and reduce financial crime as a national imperative.



Note: Enhanced follow-up and grey listing are related but distinct FATF processes. Enhanced follow-up tracks progress on technical compliance deficiencies identified in a mutual evaluation, while grey listing (increased monitoring) focuses on strategic shortcomings in the effective implementation of a country's AML and CFT regime.

Figure 7: Timeline of South Africa's FATF grey-listing journey

Preparing for the next mutual evaluation

Equipped with the experience of the grey listing process, South Africa is preparing for the next round of the joint FATF-ESAAMLG mutual evaluation between June 2026 and October 2027.

The technical compliance review of the mutual evaluation – which assesses whether the necessary laws, regulations and other required measures are in force and effective, and whether the supporting AML and CFT institutional framework is firmly in place – will be a continuation of the follow-up process of the previous round.

The effectiveness evaluation looks at whether the AML and CFT systems are working, and the extent to which the country is achieving its defined set of outcomes. During its mutual evaluations, FATF assesses the effectiveness of a country's efforts against each of the 11 Immediate Outcomes.

Pre-emptive legislative amendments

South Africa is taking proactive steps to address outstanding deficiencies that were identified during the FATF enhanced follow up and grey listing process in preparation for the next mutual evaluation.

A key step to address the technical deficiencies and enhance the country's AML and CFT system, is the draft General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, 2026. The Bill proposes amendments to the:

- Close Corporations Act 1984 (Act 69 of 1984)
- Nonprofit Organisations Act, 1997 (Act 71 of 1997)
- Financial Intelligence Centre Act, 2001 (Act 38 of 2001)
- Companies Act, 2008 (Act 71 of 2008)
- Financial Sector Regulation Act, 2017 (Act 9 of 2017).

These amendments have been developed with a view to further align South Africa's AML, CFT and CFP systems with FATF standards, as a basis for a more effective regime.

The draft Bill is an updated version of the draft General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, 2024 that was published for public comment on 13 December 2024. National Treasury has since expanded on the draft Bill to incorporate amendments related to non-governmental organisations and the conducting of lifestyle audits to continue strengthening the country's AML and CFT system.

At the beginning of 2025, National Treasury invited written submissions from the public on the draft Bill. National Treasury, the Department of Social Development, the Department of Trade, Industry and Competition, the FIC and the financial sector regulators will consider written comments and make appropriate revisions before submission to Cabinet and for subsequent tabling in Parliament.

INFO BLOCK

Amendment area	Proposed change
Information sharing	To expand the sharing of information by the FIC with the Public Procurement Office and the Border Management Authority
Lifestyle audits	Provide for the FIC to conduct lifestyle audits
General powers of the FIC	Expand the general powers of the FIC to include the requesting of information from a public entity and municipal entities
Record keeping	Extend the period from five to seven years, for which accountable institutions must keep records
Notice by the Director	Require the Director of the FIC to give notice pursuant to an order in terms of section 23 of the POCDATARA Act
Extraordinary expenses	Expand the circumstances under which a person or entity referred to in targeted financial sanctions may be permitted provision of financial services to include providing for extraordinary expenses
Accrual of interest or earnings	Provide for the accrual of interest or other earnings due on accounts holding property affected by a targeted financial sanctions prohibition that arose before the date on which the person or entity was identified by the UNSC
Reporting information	Expand the type of information accountable institutions and persons subject to reporting obligations are required to share with the FIC
Cash conveyance reporting	Require the person authorised by the Minister to receive a report relating to the conveyance of cash to or from South Africa to send a copy of the report to the FIC within a prescribed period
Monitoring orders	Provide for a magistrate or judge of an area of jurisdiction within which the accountable institution conducts business to hear applications by the FIC in respect of monitoring orders
Protection of persons making reports	Expand the circumstance under which the protection of persons making reports apply
New technologies and delivery mechanisms	Require accountable institutions to consider the risk of new delivery mechanisms and the use of new or developing technologies which may involve or facilitate ML, TF and PF
Protection of personal information	Expand the sections of the FIC Act that the protection of personal information applies when accountable institutions share information between themselves
Consequential amendments	Provide for consequential amendments to the relevant sections relating to offences and failure to comply in line with the proposed amendments.

United Nations Security Council targeted financial sanctions

The FIC Act places the responsibility upon the FIC to administer the targeted financial sanction (TFS) measures on behalf of South Africa.

As a member state of the United Nations, South Africa is obliged to implement TFS measures to comply with the resolutions of the United Nations Security Council.

The FIC updates the list of proscribed persons and entities within 24 hours of changes made by the UNSC, ensuring swift action downstream.

In addition to posting the TFS list on its website and via the goAML message board, the FIC has employed social media platforms to expand its reach and amplify the timely alerts.

The TFS list includes all persons and entities applicable to sections 26A, 26B and 26C of the FIC Act. Section 26B prohibits anyone from transacting with a person or entity associated with terrorism or

proliferation or financing thereof, as identified in terms of a resolution of the UNSC, for example, Al-Qaida and Taliban.

The prohibition extends to also include persons acting on behalf of, or at the direction of the designated person or entity. Accountable institutions must scrutinise their clients against the applicable list, freeze assets and stop all transactions.

The FIC's website offers an online search tool designed to assist accountable institutions in finding possible matches between their clients' names and/or entity names on the TFS list.

While the FIC is responsible for ensuring South Africa meets its international obligations, the ultimate effectiveness of the system is a national imperative in which all businesses adopt the measures.

In 2025/26, the FIC implemented 168 of 169 new designations and changes to existing designations within the 24-hour requirement. One update was delayed due to a late update from the UNSC on identifier details for newly designated persons.

The reporting period included a significant development in the global sanctions environment following reinstatement of sanctions against 121 Iranian individuals and entities. The UNSC re-imposed all nuclear-related UN sanctions and restrictions that had been terminated in 2015 following the adoption of the Iran nuclear deal.

Known as a 'snapback' mechanism, the re-imposition follows a lapse of the deal in October 2025 and in the absence of an arrangement for monitoring and restrictions on the Iran nuclear programme.

INFO BLOCK

What is proliferation of weapons of mass destruction

Refers to the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling, or use of nuclear, chemical, or biological weapons and their means of delivery and related materials – FATF

Proliferation financing

During the reporting period, work on countering proliferation financing gained traction through increased inter-agency co-ordination and the development of national structures to address this complex risk area.

A key development was the formalisation of a counter-proliferation functional committee led by the State Security Agency. The FIC contributed to chairing a sub-committee on counter-proliferation financing and inputs into a threat assessment in preparation for the upcoming mutual evaluation and the national risk assessment for counter-proliferation financing.

The sub-committee on proliferation of weapons of mass destruction is drawing expertise from beyond the security cluster with academic and other subject matter experts providing inputs.

The work has also expanded conceptually to cover chemical, biological, radiological and nuclear risks, as well as conventional arms, beyond the FATF scope.

Proliferation financing networks are showing increasing sophistication including the use of sanctions evasion techniques, circumventing export controls, obscuring beneficial ownership information, complex financial flows as well as the use of crypto assets in funding programmes. These developments underscore the need for enhanced analytical capabilities and co-ordination across institutions.

In addition, proliferation financing is closely linked to targeted financial sanctions, particularly in relation to jurisdictions such as Iran and North Korea. The effective implementation of sanctions therefore remains a key component of South Africa's broader response to proliferation risks.



INFO BLOCK

Proliferation financing stages

1 Raising funds

Funding state actors, non-state actors and/or illicit networks. Includes acquiring, sourcing, procurement or purchasing of WMD (weapons of mass destruction) material and/or dual-use goods, intangible assets and financial services.

2 Moving funds

Spreading assets and funds across different parties to reduce risk during procurement, manufacturing, assembly, import or export, and delivery. Through complex financial and cross-border channels such as transfers, transport, trans-shipment and through trade-based money laundering schemes hiding the origin and/or ultimate destination of the assets, property and/or funds.

3 Storing funds

Money can be invested or reinvested. Divert or spread risk through geographic jurisdictions with close proximity en route to end destination(s).

4 Usage of funds

End of WMD proliferation life cycle in support of a programme, state actor, non-state actor and/or illicit network.

Funds may be paid to manufacturers or used to ship sensitive goods, even when the transactions are not directly linked to the movement of those goods. This can occur when details such as the end user, authentication state, or destruction certificates and/or assurances are unclear

Intergovernmental Fintech Working Group and Crypto Assets Regulatory Working Group

The FIC is a member of the Intergovernmental Fintech Working Group (IFWG) and contributes to the IFWG Crypto Assets Regulatory Working Group and the IFWG Innovation Hub. Established in 2016, the IFWG consists of the National Treasury, the South African Reserve Bank, the Prudential Authority, the Financial Sector Conduct Authority, the National Credit Regulator, South African Revenue Service, the Competition Commission, and the Financial Intelligence Centre.

The overall objective of the IFWG is to foster responsible fintech innovation by supporting the creation of an enabling regulatory environment and reviewing both the risks and the benefits of emerging innovations, thus adopting a balanced and responsible approach to such innovation. In 2021 the IFWG published a Position Paper on Crypto Assets which made 25 recommendations to IFWG members aimed at mitigating the most prominent risks posed by crypto asset use cases at the time.

The position paper acknowledged that new use cases would come to the fore and that members of the IFWG would continue to monitor crypto asset-related developments.

In March 2025, the IFWG published an update on the implementation of the recommendations made in the 2021 Position Paper on Crypto Assets. With respect to the AML and CFT recommendations, the FIC has implemented all recommendations. These include incorporating crypto asset service providers (CASPs) as accountable institutions and the publishing of the Directive on the implementation of the 'travel rule' for CASPs that engage in crypto asset transactions for or on behalf of their clients.

In recent years, stablecoins have gained traction and pose possible financial stability risks due to its potential broad adoption. Stablecoins are a type of crypto asset that attempts to maintain a stable value by backing and/or pegging their value to real-world assets such as fiat currencies, other crypto assets, commodities such as gold or algorithms.

In March 2025, the IFWG published a landscape diagnostic of existing rand-pegged stablecoin arrangements and investigated the risks they present, for the consideration of the regulators. The IFWG has prioritised and initiated analytical work on stablecoin arrangements and published a second discussion paper on the topic in March 2026. The paper explored rand-pegged stablecoin arrangements in South Africa and assessed whether these crypto assets can be incorporated into existing financial regulatory frameworks.

Work on foreign currency pegged stablecoins continues within the CAR WG, in which the FIC participates.

The IFWG provides a foundational understanding of financial asset tokenisation and the use of distributed ledger technology in financial markets, setting out a conceptual framework, and highlighting its risks, benefits and potential impact on the financial sector.

The IFWG also published a primer paper looking into the tokenisation of assets in the financial sector, examining the benefits, risks and policy and regulatory examples from around the world.

The tokenisation of financial assets entails the presentation of traditional financial and real-world assets such as government bonds, equities and money market instruments as digital assets through distributed ledger technology.

The paper provided the foundation for future work on the topic which includes examining policy and regulatory implications of tokenisation in South Africa.

The FIC also participates in the IFWG Innovation Hub, which is a centralised innovation capability shared by South African financial sector regulators. It is designed to facilitate policy responses to financial sector innovation through greater engagement between regulators and the market.

Since the publication of the crypto assets position paper in 2021, South African regulators, policymakers and government have made serious strides towards regulating the sector in line with the FATF global AML, CFT and CFP standards.

Addressing threat of crypto-related financial crime

The country has brought crypto assets and CASPs into the regulatory fold in preceding years with legislative amendments in 2022 and the adoption of additional measures during the 2024/25 financial year.

Crypto assets were declared a financial product by the Financial Sector Conduct Authority (FSCA) in October 2022, making it compulsory for CASPs to be licensed by FSCA, registered with the FIC and supervised by FSCA and the FIC.

Institutions that provide financial advice and/or intermediary services in respect of crypto assets are CASPs and fall within the scope of item 12 of Schedule 1 of the FIC Act. In December 2022, a separate Schedule 1 item (item 22) referring to the activities of CASPs was included in the list of accountable institutions in the FIC Act.

As a result, CASPs which are now accountable institutions must fulfil all FIC Act obligations, such as obligations in respect of registering with the FIC, conducting customer due diligence and filing regulatory reports on transactions.

The FIC issued Directive 9, which entered into force on 30 April 2025, relating to the 'travel rule'. The travel rule is applicable to the transfer and/or receipt of crypto assets by accountable institutions for or on behalf of their customers, the information that must be provided alongside these transactions,

and the related records that must be kept. This information, held by the ordering and beneficiary CASPs, must be made available to competent authorities upon request.

Directive 9 outlines obligations and information requirements of CASPs involved at the ordering, intermediary and recipient stage of crypto asset transactions. A CASP that fails to comply with a provision of this Directive is non-compliant and is subject to an administrative sanction in accordance with section 45C of the FIC Act.

The FIC also issued Public Compliance Communication 61 in March 2026, providing practical guidance to CASPs on the implementation of the travel rule in the context of crypto asset transfers.

Cash conveyance reporting

A process was initiated to bring into operation section 30 of the FIC Act, which requires the reporting of cash or bearer negotiable instruments in excess of a prescribed amount across the borders of South Africa.

A bearer negotiable instrument is an instrument that is not legal tender, but which can be exchanged upon its presentation for an amount of money that is specified in the instrument, and which entitles the holder of the instrument to the funds it represents. Examples of bearer negotiable instruments include bills of exchange, letters of credit, money orders, postal orders, and promissory notes.

The requirement to report the conveying of cash above the threshold of R100 000 came into effect on 1 July 2026, following a Presidential proclamation on 27 May 2026, which was gazetted on 5 June 2026. As this came into effect after the close of the 2025/26 financial year, it will be reported in the 2026/27 annual report.

The objective of cash conveyance reporting is to help stem the illicit flow of money into and out of the country.

The FIC is a member of the Intergovernmental Fintech Working Group (IFWG) and contributes to the IFWG Crypto Assets Regulatory Working Group and the IFWG Innovation Hub.

4.3. BUDGET PROGRAMME 3:

Enablement of financial intelligence capabilities

Purpose

The primary purpose of this budget programme is to enhance the ability to deliver services to internal clients and other identified stakeholders, thus making it possible for the FIC to remain a sustainable and capable organisation.

The programme focuses on the enablement of business and day-to-day support in areas such as recruitment, procurement, funding, information and communications technology, as well as projects such as infrastructure enhancement.

The programme has various internal units that enable the efficient, effective and economical functioning of the FIC with good corporate governance.

The enabling units are co-ordinated through the Corporate Services division but are distinct from Administration in that the former provides delivery-related support, whereas the latter provides overall organisational support that enables service delivery.

Strategic outputs

The programme's strategic outputs are:

- Good corporate governance
- Effective and efficient operating environment.

Performance

Under this programme, the FIC achieved five out of the six targets. Highlights for the year include:

- Updating various systems, platforms and infrastructure to ensure the FIC's ICT environment is secure and up to date and ensure optimal productivity.
- Establishing a cyber security team to identify and mitigate vulnerabilities and risk, thus ensuring that information under the FIC's custody remains safe.
- Providing a digital, cyber safe remote working environment for employees and access to the ICT infrastructure.
- Reaching end of development of three strategic ICT projects to improve efficiencies and effectiveness of the organisation.
- Exceeded performance targets related to employment equity, 61.2 percent of the workforce is female (against a target of 51 percent), and 85.3 percent is from designated race groups (against a target of 80 percent).



61.2 percent

Exceeded performance targets related to employment equity, 61.2 percent of the workforce is female (against a target of 51 percent), and 85.3 percent is from designated race groups (against a target of 80 percent).

Table 25: Outcomes, outputs, output indicators, targets and achievements of budget programme 3

Outcome	Outputs	Output Indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement 2025/26	Reasons for deviations
Good corporate governance and an efficient and effective operating environment that supports the FIC in delivering on its mandate	Good corporate governance.	4.1.1 Unqualified audit opinion without findings (clean audit report).	Received an unqualified audit opinion with findings for 2021/22 (not a clean audit)	Received an unqualified audit opinion with no findings (clean audit)	Received an unqualified audit opinion with no findings (clean audit).	Received an unqualified audit opinion with no findings (clean audit).	0	Target achieved.
		4.1.2 Percentage of female staff in line with Employment Equity Act (EE Act).	62.90%	61.90%	≥51%	61.2% (167/273)	0	Target achieved.
		4.1.3 Percentage of designated racial groups in line with EE Act.	84.73%	84.98%	≥80%	85.3% (233/273)	0	Target achieved.
		4.1.4 Percentage of disabled employees in line with the EE Act.	2.1%	2.2%	≥2%	2.2% (6/273)	0	Target achieved.

Outcome	Outputs	Output Indicators	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to actual achievement 2025/26	Reasons for deviations
	Effective and efficient operating environment	4.2.1 Percentage of valid and compliant invoices paid within 30 days.	Apr - 87.61% (99/113) May - 90.17% (156/173) Jun - 91.67% (132/144) Jul - 99.19% (122/123) Aug - 100% (139/139) Sep - 100% (160/160) Oct - 99.20% (124/125) Nov - 99.28% (138/139) Dec - 100% (136/136) Jan - 52.86% (37/70) Feb - 95.60% (152/159) Mar - 99.52% (207/208)	Apr - 100% (151/151) May - 100% (116/116) Jun - 100% (133/133) Jul - 99% (199/201) Aug - 97.84% (136/139) Sep - 100% (173/173) Oct - 100% (100/100) Nov - 100% (242/242) Dec - 100% (194/194) Jan - 100% (62/62) Feb - 98.73% (156/158) Mar - 99.55% (222/223)	100%	Apr - 100% (61/61) May - 98.5% (194/197) Jun - 94% (204/217) Jul - 100% (164/164) Aug - 100% (146/146) Sep - 100% (224/224) Oct - 100% (228/228) Nov - 99% (176/178) Dec - 100% (290/290) Jan - 99% (102/103) Feb - 100% (100/100) Mar - 100% (260/260) The total average percentage is equal to 99.2% for the year.	Apr: 0 May: (1.5%) Jun: (6%) Jul: 0 Aug: 0 Sep: 0 Oct: 0 Nov: (1.1%) Dec: 0 Jan: (1%) Feb: 0 Mar: 0 Overall deviation: (0.9%)	Target not achieved A total of 2 168 invoices were received, including 19 invoices that were paid late. Of the invoices paid late, 10 were paid late because securing funding was required for the increase in the POs, most of which were legal invoices. The remaining invoices were delayed due to administrative delays. The total average percentage of invoices paid on time in 2025/26 is 99.2%.
		4.2.2 Percentage uptime ⁶ for the external-facing ICT system.	Q1 - 99.99% Q2 - 99.98% Q3 - 99.99% Q4 - 99.99%	Q1 - 99.92% Q2 - 99.98% Q3 - 100% Q4 - 99.57%	≥98%	99.8% Q1 - 99.65% Q2 - 99.67% Q3 - 99.90% Q4 - 99.98%	0	Target achieved

⁶ Uptime is calculated from monitoring applications that track whether the external facing ICT system was available when accessed by users over the period under review



CASE STUDY

Manufacturing and distribution of illegal and controlled substances online

The FIC was part of an investigation team in a matter in which an Olympic athlete tested positive for banned or unlawful substances. Further investigation revealed that the athlete had from a website, purchased legal substances which had been laced with unlawful substances. The investigation also revealed that the website was used to sell and distribute controlled substances without legal authority from the Medicines Control Council.

Investigators seized packages at a courier company that were destined for delivery, and upon testing of the contents of the packages, it was shown that the substances were laced with methamphetamine. The FIC analysed 143 bank accounts and identified the main persons behind the website and those who benefited from the sale of these controlled and illegal substances.

Analysis of the various accounts identified that four main suspects in the matter received payments from the bank account linked to the website and they were conducting business through their own registered companies. Payments via the website, over the period 1 January 2018 to 31 December 2024, amounted to R142 055 352.85.

Inter-account transfers showed that the subjects were linked to the main company and that they purchased and distributed these substances to clients by advertising through social media and other channels.

Analysis of the website revealed that more than 80 percent of the substances being sold were either controlled or unlawful.

The takedown operation revealed extensive laboratories established to manufacture and mix the substances. Large quantities of unlawful substances were seized at three premises in Gauteng, which were also linked to a fourth property in the Western Cape. Storage facilities were also identified through account analysis, resulting in the seizure of large quantities of unlawful and controlled substances.

The FIC conducted extensive account analysis, considering the order numbers of seized packages containing unlawful and controlled substances as well as transaction references reflecting the names of those substances. Positive balances in three accounts, amounting to R4 716 374.36 linked to the sale and distribution operation were secured through section 34 interventions under the FIC Act. The FIC deposed to an affidavit in support of a Prevention of Organised Crime Act preservation order, and the assets were later forfeited to the state unopposed.

The bank account analyses clearly indicated inter-account transfers and numerous rounded credit amounts, which were used either to purchase more stock or to maintain the lifestyle of the arrested subjects. The analysis and investigation of the matter remain ongoing.

Enabling business operations

Corporate Services continued to enable FIC business operations, ensuring that the organisation achieved its service delivery objectives and met stakeholder expectations in line with its legislative mandate.

Information and communications technology

To improve the FIC's operational efficiency and effectiveness, Corporate Services continued to deliver on technology projects across the organisation. These included implementing a secure case management system for the production of financial forensic evidence that supported criminal investigations and asset recoveries. The system will come into operation in the 2026/27 financial year.

Ensuring the FIC remains at the cutting edge of technology innovation, Corporate Services is enabling the use of artificial intelligence and machine learning to extract greater value from the vast amount of data coming into and being used in the FIC.

During the year, the organisation successfully tested artificial intelligence and machine learning models owned and hosted by big technology companies and cloud service providers. The tests demonstrated how the application of artificial intelligence and machine learning models to FIC data could improve analysis and produce high-value financial intelligence products within shorter time frames,

with added improvements to quality and turnaround times. Based on this groundwork, an operational model to test the artificial intelligence and machine learning model is planned for 2026/27.

Collaboration with private sector technology partners in developing systems to fight financial crimes is crucial to building a future-fit organisation.

During the year under review, Corporate Services led and enabled the FIC to implement a complex and major upgrade of its reporting and registration system (goAML), in partnership with accountable and reporting institutions. The platform is one that accountable institutions, supervisory bodies, law enforcement and other stakeholders use to register with, report to, and maintain contact information with the FIC.

The proprietary system is used by most financial intelligence units globally under licence. It supports the FIC's end-to-end business value chain, including registration of and reporting by accountable and reporting institutions, analysis of reports to produce financial intelligence products, and dissemination to law enforcement agencies.

The goAML upgrade has enhanced the capabilities of the FIC in that it incorporates functionalities such as additional data fields, expanded lookup tables, elastic search capability and configurable structures. These translated into improved data quality, analytical depth and a better user experience.

Corporate Services also supported implementation of the ESAAMLG Secure Information Exchange platform, which enables financial intelligence units in the Eastern and Southern Africa region affiliated to ESAAMLG to securely share information and collaborate in investigating financial crimes in the region.

Governance, compliance and risk

To promote good governance, compliance and effective organisational risk management, Corporate Services implemented various initiatives during the year under review.

Among these was enhancement of risk-based supervision tools as part of remediating mutual evaluation findings following South Africa's grey listing in 2023. Further enhancements of these tools are planned in the future.

The division completed a project to develop and implement a data governance framework and capability aimed at guiding the FIC on effective governance and management of data in a manner that is aligned to internationally accepted standards and practices, including the data management body of knowledge. The data governance capability safeguards the FIC's data assets through standardised approaches to data handling, quality management and storage practices.

Cyber security and organisational resilience

Cyber security risk management remained a key focus area, with ongoing investment in ICT security software and initiatives to actively train employees on cyber security awareness. These initiatives aim to improve the organisation's resilience to cyber security risks.

Enhancing disaster recovery capacity, alongside business continuity capability, remains an area of ongoing capacity building.

People and capability

The FIC continues to recognise its employees as critical human capital. To maximise value from its workforce, Human Resources is implementing various frameworks and programmes. One such programme is a multi-year critical skills development programme focused on data science, data analytics, data engineering, data architecture, forensic accounting, FIC Act compliance analysis, financial intelligence analysis, and other specialised skills in ICT. These skills are integral to the business of the FIC and are scarce, with their demand in the market remaining high. This poses a major challenge for the organisation.

4.4 STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

KPI 1.3.1

Action plan: Inspectors have been recalled to the office since 1 December 2025 on a full-time basis to reach the target. The increased focus on inspection reports will extend into the next reporting period.

KPI 3.2.2

Action plan: FIC will implement an improved reporting protocol. Future reports will flag UNSC data issues as they occur, ensuring that non-achievements caused by external delays are identified immediately rather than identified during the audit process.

KPI 4.2.1

Action plan: Processes are amended to ensure compliance, and all responsible officials are reminded to adhere to the internal processes. The entity is acquiring an invoice tracking system to improve the controls over the turnaround time on processing invoices for payment.

4.5 CHANGES TO PLANNED TARGETS

No in-year changes were made to 2025/26 indicators and targets.

REVENUE COLLECTION

The FIC is a statutory body established to give effect to the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). It is listed in the PFMA as a Schedule 3A public entity. As such, the FIC uses public funds to fulfil its legislated mandate and does not collect revenue from other sources. It follows that no measures were instituted during the year to raise revenue or to ensure revenue collection.



CASE STUDY

Murder for insurance

The FIC received a request from SAPS regarding an individual suspected of insurance fraud and murder. The primary suspect opened life policies on several individuals. Ten people died of unnatural causes between 2019 and 2024, and the primary suspect received payouts from claims submitted in respect of all the deceased.

Claims of more than R2 million were made and paid by insurance companies to the primary suspect.

The FIC requested information Capitec and various other banks that had made the payments against the insurance claims, and established which bank accounts were held by the suspect. The FIC then obtained bank statements for those accounts.

Through financial analysis of the bank accounts, the FIC identified all the funds paid against claims received from different insurance companies and financial services providers. The FIC also identified the financial services providers with which the main suspect was a beneficiary or policyholder.

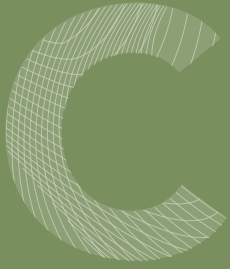
Through financial analysis, the FIC established where the funds had originated and where the premiums were paid. The FIC noted that once the funds were received in the primary suspect's account, some funds were transferred to her spouse and some to another individual. This analysis helped the FIC identify a possible hitman involved in the murders. The FIC also identified other individuals linked to or involved in the same conduct as the primary suspect.

Financial analysis identified how the funds were used and to whom they were transferred. It also revealed that some funds were transferred by the suspect's spouse to a motor dealership for the purchase of a vehicle. The AFU was informed of the purchase so that the asset could be preserved as proceeds of unlawful activities.

The FIC's extensive work on this matter has led to the creation of a dataset to support criminal investigations by identifying patterns and gaps in insurance fraud and murder cases. Collaboration between the FIC, banking institutions, financial services providers and the AFU is helping to address this growing threat.

PART

GOVERNANCE



INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity’s enabling legislation and the Companies Act, corporate governance with regard to public entities such as the FIC is applied through the precepts of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and run in tandem with the principles contained in the King V Code of Corporate Governance.	<p>The FIC corporate governance model is underpinned by values of authenticity, ethics, integrity and accountability.</p> <p>The FIC follows best practice in corporate governance through its oversight structures and/or committees which are tasked with ensuring that the FIC meets its strategic objectives and operates in line with its mandate. The oversight structures and/or committees include:</p>	<ul style="list-style-type: none">• Accounting Authority• Executive management committee• Management forum• Audit and risk committee• Human resources and remuneration committee• Information and communications technology governance committee.
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PORTFOLIO COMMITTEES

Parliament exercises its role through evaluating the performance of the FIC by interrogating the FIC’s annual financial statements and other relevant documents which are required to be tabled, as well as any other documents tabled from time to time.	The Standing Committee on Finance reviews the FIC’s strategic plan, the annual performance plan, annual financial statements and the audit reports of the external auditor. The Committee exercises oversight over the service delivery performance of the FIC, reviews the non-financial information	<p>contained in the annual reports, and is concerned with service delivery and enhancing economic growth.</p> <p>The FIC delivered a presentation on its 2024/25 annual report to the Standing Committee on Finance during the financial year.</p>
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ACCOUNTING AUTHORITY

The Director of the FIC is the Accounting Authority and reports directly to the Minister of Finance and to Parliament. The FIC does not have a board.	The executive management committee exercises day-to-day oversight responsibilities, and the management forum is responsible for resolving findings of the Auditor-General of South Africa. The composition and meeting details of the FIC committees are summarised in the table below.	
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Table 26: FIC committees during 2025/26

Committees	Number of meetings held	No of members	Name of members
Executive management committee	7	5	Pieter Smit – Chairperson and Acting Director of the FIC Macs Maboka – Executive Manager: Corporate Services Pieter Smit – Executive Manager: Legal and Policy Christopher Malan – Executive Manager: Compliance and Prevention Pieter Alberts – Acting Executive Manager: Shared Forensic Capability Priya Biseswar – Executive Manager: Monitoring and Analysis
Management forum	10	14	Pieter Smit – Chairperson and Acting Director of the FIC Macs Maboka – Executive Manager: Corporate Services Pieter Smit – Executive Manager: Legal and Policy Christopher Malan – Executive Manager: Compliance and Prevention Priya Biseswar – Executive Manager: Monitoring and Analysis Marine Burdette – Senior Operations Manager: Monitoring and Analysis Jan Augustyn – Senior Operations Manager: Compliance and Prevention Veronica MarshSmit – Chief Financial Officer Makgabo Modishane – Head: Programme Management Office Aaron Shongwe – Head: Information and Communications Technology Philemon Mashapa – Head: Planning, Monitoring and Evaluation Grace Madilonga – Head: Human Resources Pieter Alberts – Acting Executive Manager: Shared Forensic Capability Panna Kassan – Head: Communications
Audit and Risk Committee	5	5	Dr Mduduzi Zakwe – Chairperson Prittish Dala – Member Thato Moeeng – Member Tshepo Mofokeng – Member Suren Maharaj – Member
Human resources and remuneration committee	4	5	Bryan Chaplog – Chairperson Thandiwe January-McClean – Member Michael Olivier – Member
Information and communications technology governance committee	4	12	Macs Maboka – Chairperson and Executive Manager: Corporate Services Marine Burdette – Senior Operations Manager: Monitoring and Analysis Jan Augustyn – Senior Operations Manager: Compliance and Prevention Carina Arpin – Manager Detection, Systems and Planning and Geographic Information Systems - Intelligence Support Veronica MarshSmit – Chief Financial Officer Makgabo Modishane – Head: Programme Management Office Aaron Shongwe – Head: Information and Communications Technology Philemon Mashapa – Head: Planning, Monitoring and Evaluation Matodzi Tshidzumba – Risk Manager: Office of the Director Grace Madilonga – Head: Human Resources Nomsa Mashego – Head: Enterprise Architecture Miliswa Shasha – Senior Legal Officer

RISK MANAGEMENT

The FIC subscribes to the public sector's risk management framework and other international best practices to identify, analyse, assess, treat, monitor and communicate risks internally. This approach ensures that risks are identified and assessed every year, and details are shared with relevant stakeholders.

Objectives

The objectives of the risk management function are to:

- Integrate risk concerns into the FIC's daily decision-making and implementation processes.
- Identify and manage risks within the risk appetite and risk tolerance parameters, which coincide with the FIC's strategy and objectives.
- Improve the FIC's ability to prevent, detect, correct, escalate and respond to critical risk issues by executing risk management action plans and recommendations, and monitoring them effectively.
- Comply with appropriate risk management practices in terms of the Committee of Sponsoring Organisations of the Treadway Commission framework and ISO 31000 standards, corporate governance guidelines and King V.

- Create a risk awareness culture and embed risk-based approaches to decision-making at operational, tactical and strategic levels of the FIC.
- Promote good ethical conduct, integrity management and anti-fraud/corruption within the FIC.

The FIC has an enterprise-wide risk management framework which codifies how risk is identified, measured, analysed, managed, reported and monitored across the organisation. The FIC recognises that in the complex financial sector environment in which it operates, risk management processes and strategies must evolve. The framework is therefore reviewed and modified on an ongoing basis, considering the risk appetite and risk tolerance of the organisation.

The FIC also performs risk assessments annually to identify new and emerging risks. In fulfilling its enterprise-wide risk management responsibilities, the FIC uses top-down and bottom-up approaches to risk identification, assessment, mitigation, monitoring, and reporting. The top-down approach entails risk processes to be reviewed by its management forum as the operational risk committee, executive management, the Audit and Risk Committee and the Accounting Authority.

Activities

Key activities in mitigating strategic risks during the 2025/26 financial year included the following:

- The FIC issued numerous risk-based inspection reports to comply with FATF grey list outcomes. Inspections were re-focused to comply with the FATF Recommendations and action plans to assist South Africa in exiting the grey list.
- The FIC issued various financial intelligence reports to stakeholders on illicit financial flows and responded to all requests or scenarios to block funds and implement directives.
- The FIC completed the upgrade of its registration and reporting platform, goAML, to enhance the reporting system.
- The FIC continued to conduct engagements with stakeholders to improve the understanding and use of its financial intelligence products and/or services.
- The FIC continued its focus on talent management and organisation development to help define, develop, and implement our employment value proposition project.
- The FIC continued to ramp up its efforts to protect the integrity of South Africa's financial system and the fight against crime by responding to requests to block funds, streamline cross-border information sharing, and issuing financial intelligence reports to stakeholders.

- The FIC re-prioritised and focused its outreach through awareness activities to address the FATF mutual evaluation recommended actions
- The FIC participated in various meetings with internal and external stakeholders, including supervisory bodies, and provided extensive input in FATF mutual evaluation questionnaires in preparation for the next mutual evaluation.
- The FIC facilitated broader participation in the FATF, ESAAMLG and Egmont Group activities by internal and external stakeholders.
- The FIC shared cross-border information and issued proactive reports to jurisdictions and responded to international requests for information.
- The FIC effected new UNSC designations on the FIC targeted financial sanctions website.
- Provided and conducted awareness sessions, guidance, monitoring, and ensuring ongoing maintenance and enhancement of the registration and reporting system
- The FIC also performed a strategic assessment on proceeds of crimes in various geographical areas and shared with relevant law enforcement agencies.
- The FIC met regularly with partners in the Reformed Fusion Centre to focus on matters identified for appropriate action by relevant agencies. In some of these matters the FIC assisted with section 34 directives resulting in preservation orders.

- The FIC participated in key national forums of anti-money laundering and financing of terrorism in the country.
- Business continuity management plans and recovery plans were strengthened to ensure that the business operations of the FIC could continue.

Major risk categories

The enterprise risk management framework is continuously enhanced and updated to respond to risks. The framework ensures that the management of risks is embedded in the FIC's overall corporate governance structures, strategy and strategic planning, annual performance plan, reporting processes, policies, values and culture. The FIC has identified the following principal risk categories that are significant to the FIC, namely (i) strategic, (ii) regulatory and legal, (iii) operational, and (iv) reputational.

Risk profile

The FIC's corporate risk profile is a function of the inherent and residual risks of all the process level business risks identified and assessed in the various business units. The corporate risk profile gives an overview of the performance and rating of the FIC's principal risks and risk landscape.

Strategic risks identified in 2025/26

- Inadequate collection of information may result in non-compliance with the FIC Act
- Inadequate production and utilisation of the FIC products and services by stakeholders
- Inadequate promotion of national interests in maintaining the integrity of the South African financial system
- Inadequate operating environment (safety of employees or protection, business continuity and management of information, records, communication, and FIC work environment) may result in the FIC not achieving its mandate
- Inadequate resources and governance may result in the FIC not achieving its mandate (information technology and financial resources)
- Inadequate production and utilisation of financial flow forensic services for combating crime
- Loss of scarce, critical skills may result in the FIC not achieving its mandate (National Treasury has provided funds to increase capacity at the FIC)
- Inadequate security of information may result in security breach.
- Inadequate business continuity management and ICT disaster recovery planning.

Risk governance and combined assurance

The FIC has a combined assurance model and risk maturity framework to determine the effectiveness of risk management within the entity, and in line with King V, to ensure a more integrated approach to managing risks.

This methodology is carried out through a collaboration of functions between management, risk management, compliance, and internal and external audit. These assurance providers participate in the annual review of the enterprise risk management framework and the development and assessment of the single risk universe of the FIC.

INTERNAL AUDIT

The FIC subscribes to risk-based audit methodology. The FIC appointed an external service provider to manage the internal audit function for the five-year period from 18 December 2025 to 17 December 2030.

The service provider submits a three-year rolling plan to the FIC through the Audit and Risk Committee for each financial year. Findings are tracked by management and reported to the Audit and Risk Committee quarterly.

COMPLIANCE WITH LAWS AND REGULATIONS

The FIC's governance and compliance follow a three-pronged approach which is informed by its operations. These are: (i) the regulatory universe, which deals with compliance with legislation, (ii) the external reporting obligations, which deals with all the FIC's reporting obligations to external stakeholders, and (iii) policy compliance, which ensures all organisational policies are in place in terms of the FIC's policy and procedure development framework.

During the financial year, the FIC conducted reviews in all three areas, and the outcomes were reported in all relevant governance committees internally and the Audit and Risk Committee for external and independent assurance. The FIC was found to be compliant in all areas against which it was assessed.

As required by its business continuity management strategy, the FIC has a crisis management team.

During the year under review, the FIC conducted workshops to keep employees abreast of business continuity management and plans for business impact analysis. The FIC performed 14 ICT disaster recovery test exercises to assess readiness to respond to ICT systems, data and operations disruptions.

FRAUD AND CORRUPTION

<p>The FIC implemented an ethics, integrity management and anti-fraud and corruption framework, together with a fraud and corruption risk register. Awareness sessions were held to inform employees about the prevention of fraud and corruption.</p>	<p>The FIC has a policy in place to enable whistleblowers to report any misconduct or unethical behaviour anonymously. The FIC uses the National Anti-Corruption Hotline operated by the Public Service Commission for reporting misconduct or unethical behaviour.</p>	<p>On each matter received, the FIC in turn reports back to the Public Service Commission within 40 days as mandated by the MoU between the FIC and the Public Service Commission.</p>
<p>The FIC conducted ethics management training for both executive management and managers during the year under review. This enables the FIC to embed ethics management within the organisation.</p>	<p>The Public Service Commission communicates reported matters to the FIC within a week, following which, each matter is reviewed and investigated (if deemed necessary) within 40 days.</p>	<p>Those who report to the hotline keep their anonymity. Reference numbers are issued so they can follow up on reported matters should they wish to do so. No FIC-related corruption matters were reported to the hotline during the period under review.</p>

MINIMISING CONFLICT OF INTEREST

<p>Each employee signs a code of conduct agreement. The supply chain management unit also implements terms of reference. The declaration of the conflict of interest has been embedded in supply chain processes, including at the bid adjudication and evaluation committees' level.</p>	<p>All employees are required to adhere to the FIC's policy and procedure on gifts, donations and sponsorships. The policy is geared to preventing internal fraud and corruption.</p>	<p>conducting business with the state. All employees are required to declare their interests, irrespective of whether these generate regular income or not.</p>
	<p>During the period under review, the FIC organised awareness sessions on conflict of interest and</p>	<p>The FIC continues to update and align its policies and procedures to comply with the Public Administration Management Act, 2014 (Act 11 of 2014).</p>

CODE OF ETHICS AND CONDUCT

The FIC's code of ethics and conduct requires all employees to observe the highest standards of integrity in carrying out the FIC's legal mandate. The code sets down common ethical standards that the FIC's employees must adhere to on a consistent basis to ensure that their actions comply with the FIC's primary values and standards.

Although the code was developed to be as comprehensive as possible, it is not an exhaustive set of rules regulating standards of conduct. The Accounting Authority has a duty to ensure that the conduct of employees conforms to the basic values and principles governing public administration and the norms and standards prescribed by the

relevant government legislation and policies. The Accounting Authority should also ensure that employees are acquainted with these measures, and that they accept and abide by them. Breaches of the code are dealt with swiftly and decisively.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The FIC is committed to complying with the provisions of the Occupational Health and Safety Act, 1993 (Act 130 of 1993) (OHS Act) general safety regulations and the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) (COID Act) to enable a high level of protection for the health and safety of the FIC's employees, contractors, customers, the public and the environment.

Furthermore, the FIC is required to comply with the provisions of the Disaster Management Act, 2002 (Act 57 of 2002) (DMA) when the need arises.

The FIC's Health and Safety Committee has a charter, policy and procedures and appointed evacuation officers, fire fighters, incidents investigators, health and safety representatives, and first aid officer. The FIC's Health and Safety Committee's responsibilities include:

- Making recommendations to the FIC or, where the recommendations fail to resolve the matter, to an inspector in terms of the OHS Act regarding any matter affecting the health or safety of persons at the workplace or any section thereof.

- Discussing any incident at the workplace or section thereof in which or in consequence of which any person was injured, became ill or died, and may in writing report on the incident to an inspector from the Department of Employment and Labour.
- Performing other health and safety functions as may be prescribed.
- Keeping records of each recommendation made to the FIC in terms of subsection (1) (a) and of any report made to an inspector in terms of subsection (1) (b) of the OHS Act.

During the 2025/26 financial year, there were no incidents of employees or visitors being injured at the FIC premises.

REPORT OF THE **AUDIT AND RISK COMMITTEE**

We are pleased to present our report for the financial year ended 31 March 2026

Introduction

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2026. The report outlines the ARC's oversight activities during the year and provides its assessment of the effectiveness of governance, risk management, internal control, financial reporting, internal audit and external audit processes within the Financial Intelligence Centre.

The ARC discharged its responsibilities in accordance with section 77 of the Public Finance Management Act, 1999 (PFMA), National Treasury Regulation 27.1, its approved terms of reference and applicable governance requirements.

ARC terms of reference

The ARC operated in accordance with its approved terms of reference during the financial year. The terms of reference are reviewed periodically to ensure continued alignment with the committee's statutory responsibilities, applicable legislation, governance principles and the evolving risk profile of the organisation.

The ARC confirms that it maintained appropriate independence in the execution of its oversight responsibilities and had unrestricted access to management, internal audit, external audit and relevant information required to discharge its mandate.

The ARC consists of five independent, appropriately qualified members. The ARC meets at least four times a year as per the approved terms of reference.

The composition of members during the year under review was as follows:

Name	Qualifications	Contract commencement date	Contract end / termination date
Mduduzi Zakwe (Chairperson)	PhD (Cybersecurity); MBA (IT & E-Commerce), CA(SA); CBCI	23 October 2024	22 October 2027
Prittish Dala	PhD (IT); M.IT; BSc (Hons) (Computer Science); BIT; CD(SA); CISA; CISM; CISSP; LA ISO 27001; CGEIT; CRISC; CEH; CHFI	22 January 2025	22 October 2027
Suren Maharaj	MBA, BCom; B Compt (Hons); CA(SA); CGFO; RGA	23 October 2024	22 October 2027
Thato Moeeng	BIURIS (Cum Laude); LLB; MBL	23 October 2024	22 October 2027
Tshepo Mofokeng	MPhil (Internal Audit); BCom; B Acc.; CA(SA); CIA; CRMA	23 October 2024	22 October 2027

The meetings held and attendance at the meetings during the year under review were as follows:

Members	Meetings held in 2025 and 2026				
	2025				2026
	25 April	28 May	29 July	29 October	29 January
Mduduzi Zakwe	√	√	√	√	√
Prittish Dala	√	√	√	√	√
Suren Maharaj	√	√	√	√	√
Thato Moeeng	√	√	√	√	√
Tshepo Mofokeng	√	√	√	√	√

- √ Present
x Absent with an apology

The ARC met five times during the year under review. All members attended all scheduled meetings, demonstrating a high level of commitment to discharging the committee's oversight responsibilities.

ARC roles and responsibilities

The ARC reports that it has complied with its responsibilities arising from section 77 of the PFMA and National Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its ARC charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The ARC is responsible for and has fulfilled the following responsibilities, among others:

- Reviewed the accounting policies adopted by the entity and proposed changes in accounting policies and practices, and recommended any changes considered appropriate.
- Reviewed and recommended disclosed financial information.
- Considered the processes introduced to improve the overall governance and ethics of the entity and reviewed reports from management and the internal auditors relating to governance, risk and control processes.
- Monitored ethical conduct by the entity, its executive and senior management.
- Monitored the entity's compliance with applicable legislative requirements.
- Ensured that any fruitless, wasteful and irregular expenditure is reported and disclosed in terms of the PFMA as well as ensured compliance with the requirements of the irregular expenditure framework.

- Ensured co-operation between internal and external auditors by clarifying and overseeing the appropriateness and implementation of the combined assurance plan.
- Considered the King Code of Governance recommendations and their applicability to the entity.
- Assisted management in carrying out its risk management and ICT responsibilities.
- Received and dealt appropriately with any complaints and/or allegations of wrongdoing, including fraud. No such complaints were received during the year under review or to the date of this report.

The internal and external auditors had direct access to the Chairperson of the ARC and its members.

The effectiveness of internal controls

The ARC is responsible for monitoring the adequacy and effectiveness of the organisation's internal control systems. The internal audit function is outsourced, and the outsourced internal audit representatives attended all ARC meetings.

Based on the assessment of the work done during the year under review, the ARC believes that while the internal audit function has provided professional, independent and objective assurance that the internal controls are adequate and effective to assist the organisation to achieve its goals and objectives, areas of development identified in the previous reporting period still persisted.

The ARC, with the assistance of management, continued to track the documented audit action plan agreed to by management and internal auditors, although the ARC remained concerned with the ongoing non-performance of the service provider.

Enterprise risk management

The ARC reviewed and recommended for Accounting Authority's approval various risk management policies and plans. The ARC has also reviewed the strategic risk register and is generally satisfied with how risks are being managed within the FIC.

Based on the processes and assurances obtained, we believe that the risk management processes are generally adequate and effective.

Quarterly reporting

The ARC reviewed the quarterly financial and performance reports submitted to National Treasury and the Executive Authority during the year.

The ARC considered the quality, consistency and reliability of the information presented and monitored matters arising from management's quarterly reporting processes.

ICT governance and cyber security

The ARC exercised oversight over ICT governance, information security and cyber security risks, with particular attention to the resilience and availability of critical systems, protection of sensitive information, business continuity, cyber security threats and the implementation of identified ICT control improvements.

The ARC considered reports from management, internal audit and other assurance providers and monitored the implementation of agreed remedial actions.

Combined assurance

The ARC considered the combined assurance framework and assessed whether assurance activities undertaken by management, internal audit, external audit and other assurance providers were appropriately coordinated and aligned to the organisation's key risks.

The ARC monitored areas where assurance coverage required strengthening and encouraged management to address identified gaps.

Fraud and ethics

The ARC received reports on fraud risk management, ethical conduct and whistleblowing arrangements during the year.

No material allegations of fraud, corruption or other significant wrongdoing were reported to the committee during the period under review or up to the date of this report.

Evaluation of annual financial statements

The ARC has reviewed the accounting policies and the annual financial statements of the entity and is satisfied that they are appropriate and comply with the standards of Generally Recognised Accounting Practice (GRAP).

The ARC noted that the annual financial statements submitted for the external audit were free of any material misstatements, as there were no material adjustments resulting from the external audit.

Evaluation of the finance function

The ARC evaluated the qualifications, experience and expertise of the Chief Financial Officer and is satisfied that the incumbent possesses the appropriate qualifications and experience to discharge the responsibilities of the position.

The ARC also assessed the capacity, skills and resources of the finance function and considered whether these were adequate to support effective financial management, financial reporting and internal control. Based on the assessment undertaken, the ARC is satisfied that the finance function has the requisite capacity to support the organisation, subject to the continued implementation of identified areas for improvement.

Evaluation of the audit and risk committee

The ARC conducted an annual assessment of its effectiveness, including an assessment of its composition, skills and expertise, independence, meeting effectiveness, quality of information received, fulfilment of its statutory mandate and the value of its oversight to the organisation utilising a combination of committee self-assessment and feedback from management to ensure a balanced evaluation.

Based on the outcome of the assessment, the ARC concluded that it had operated effectively and independently and had discharged its responsibilities in accordance with its approved terms of reference and applicable regulatory requirements. Areas identified for continued improvement will be incorporated into the ARC's annual work plan.

External auditor's report

We reviewed the entity's implementation plans for audit issues raised in the prior years, and we are satisfied that the matters have been adequately resolved.

The ARC reviewed the external auditors' management report and management's responses thereto.

The ARC concurs and accepts the conclusions of the Auditor-General of South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the audit report of the Auditor-General of South Africa.

Conclusion

Based on the oversight activities undertaken during the year, the reports and assurances received from management, internal audit and the external auditors, and the committee's deliberations, the ARC is satisfied that it has appropriately discharged its responsibilities for the financial year ended 31 March 2026.

The ARC acknowledges the areas requiring continued management attention and will continue to monitor the implementation of corrective actions through its annual work programme.

The ARC expresses its appreciation to the Accounting Authority, management, internal audit and the Auditor-General of South Africa for their cooperation and support during the year.



Dr Mduduzi Zakwe CA (SA), MBA, PhD
Chairperson of the Audit and Risk Committee

30 July 2026

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table was completed in accordance with the compliance with the B-BBEE requirements as required by the Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003) (B-BBEE Act) and as determined by the Department of Trade, Industry and Competition.

Table 27: B-BBEE compliance performance information 2025/26

Has the public entity applied any relevant code of good practice (B-BBEE Certificate Levels 1–8) with regard to the following:		
Criteria	Response	Discussion (measures taken/not taken to comply)
1. Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Not applicable	The FIC's mandate and work do not extend to issuing of licences, concessions or authorisations.
2. Developing and implementing a preferential procurement policy?	Yes	The FIC has in place SANAS accredited B-BBEE verification.
3. Determining qualification criteria for the sale of state-owned enterprises?	Not applicable	Selling of state-owned enterprises does not fall within the scope of the work of FIC.
4. Developing criteria for entering into partnerships with the private sector?	Not applicable	FIC does not enter into partnerships with the private sector.
5. Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Not applicable	FIC does not award grants, incentives or investment schemes.

PART

HUMAN RESOURCE MANAGEMENT



INTRODUCTION

During the 2025/2026 financial year the FIC continued its journey in implementing its talent management strategy through a phased approach focusing on priority areas such as building management capability, employee development, reviewing employee retention measures, implementing the FIC employee value proposition and developing a succession planning framework to ensure the talent sustainability of the organisation. There continues to be a high rate of voluntary resignations, as compared to previous financial years. The turnover rate increased by four percent rising to 15 percent during the year under review as compared to 11 percent during the 2024/25 financial year.

The FIC was able to attract and appoint 52 personnel during the year under review. The vacancy rate increased by six percent to 23 percent as compared to 17 percent as at the end of the 2024/25 financial year. The vacancy rate is calculated based on the active vacancies against the total funded establishment. The vacancy rate increased because of additional positions in the FIC establishment and voluntary resignation which in turn impacted on recruitment efforts.

As part of its commitment to maintaining a transformed and equitable workforce, the FIC exceeded all three of its targets related to

employment equity. The FIC's employment equity targets and results were as follows:

- **Female employees:** 167 employees out of a total of 273 are female (61.2 percent of employees against a target of 51 percent)
- **Employees with disabilities:** Six employees (2.2 percent) out of a total of 273 employees are employees currently living with a disability (target was 2 percent of employees).
- **Employees from designated race groups:** 233 employees out of a total of 273 are African, Coloured, and Indian (85.3 percent of employees against a target of 80 percent)

During 2025/26, HR continued to remain responsive to the FIC's organisational needs and people management priorities by continuing to focus on the following strategic people priorities through the following people management interventions:

- **Employee value proposition:** The FIC activated its EVP, which plays a vital role in the attractiveness of the FIC to current and potential employees and the retention of its talent. The focus on this will continue during the 2026/27 financial year.
- **Management development:** The FIC requires a thriving, highly adaptable and agile leadership team to drive a compelling value proposition to its current and prospective employees. During the financial year the need was identified to build leadership capability and capacity at delivery management level. The focus during

the 2026/27 financial year will be on activating the management development programme.

- **Remuneration:** The FIC has assessed its remuneration framework to ensure that its remuneration offering remains relevant and competitive in the labour market. This will be an ongoing exercise to ensure that it remains fit for purpose for the near and long term.
- **Talent reviews:** The FIC remains committed to career development and growth of its employees and is acutely focused on the retention of critical skills while offering employees opportunities to accomplish their career aspirations. Talent reviews continue to provide essential insights into the composition of the FIC's talent pool in relation to its strategic and operational demands.
- **Learning and development:** A total of 139 employees attended various skills development interventions of which 68 percent focused on technical skills development. The FIC is undoubtedly dedicated to long-term development of its employees. This is evidenced by the record number of 34 employees being granted study assistance to further their studies in areas of interest and career aspirations and relevant to the operations of the FIC. In addition, the FIC had 16 graduates who were provided with the opportunity to gain workplace experience, develop technical expertise and knowledge relating to the AML and CFT environment at the FIC during the year under review.

- **Talent management:** Remains a key strategic focus of the FIC, and it continues to address its people challenges as supported by its talent management strategy. Core to this is ensuring that the FIC continues to have a credible management core, builds management and leadership capabilities and effectively develops current and future critical skills which will ensure organisational sustainability in both the short and long term.

Talent management is carried out through various strategic career development initiatives, enabling talent to be future fit for the increasingly complex AML and CFT environment and expectations arising from this. The talent management initiatives currently in progress, are summarised as part of the HR strategic priorities as below:

- Activation of reskilling and upskilling of employees occupying roles with data management and data analytics competencies.
- Continuing the review of the FIC's employee retention strategies, framework and practices.
- Activation of succession planning framework.
- Accelerating the development of employees occupying professional or functional roles with aspirations towards management positions through deliberate developmental programmes.

HUMAN RESOURCES OVERSIGHT STATISTICS

Table 28: Personnel cost by programme

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No of employees	Average personnel cost per employee (R'000)
Total expenditure	433 092	273 490	63.15%	334	819

Personnel expenditure includes terminations during the reporting period but excludes year-end accrual adjustment and compensation for occupational injury and disease.

Table 29: Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	No of employees	Average personnel cost per employee (R'000)
Top management	13 471	5%	4	3 368
Senior management	31 962	12%	15	2 131
Professional qualified	32 869	12%	26	1 264
Skilled	171 267	63%	226	758
Semi-skilled	23 922	9%	74	323
Unskilled		0%		
Total		100%	345	

Reflects the number of active and terminated number of employees paid during the reporting period.

Table 30: Performance rewards

Programme	Performance rewards	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top management	1 367	13 471	10.15%
Senior management	2 543	31 962	7.96%
Professional qualified	2 590	32 869	7.88%
Skilled	11 882	171 267	6.94%
Semi-skilled	1 330	23 922	5.56%
Unskilled	-	-	
Total	19 712		38%

Table 31: Training costs

Programme	Personnel expenditure (R'000)	Training expenditure (R)	Training expenditure as a % of personnel cost	No of employees trained	Avg training cost per employee (R)
Employee training	433 092	1 137 000	0.3%	139	8 180
Bursaries		1 021 361	0.2%	34	30 040
Totals		2 158 361		173	12 476

Table 32: Employment and vacancies

Programme	2024/25 number of employees	2025/26 approved posts	2025/26 number of employees	2025/26 vacancies	Percent of vacancies
Top management	4	6	4	2	1%
Senior management	10	14	10	4	1%
Professional qualified	23	31	23	8	2%
Skilled	185	239	192	47	13%
Semi-skilled	56	63	44	19	5%
Unskilled	0	0	0	0	0
Total	278*	353	273	80**	23%

The FIC vacancy rate has increased during the period under review compared to the last financial year. This is due to additional allocation of positions received and turnover. FIC has retention measures which are being implemented on ongoing basis.

* Opening balance as at 1 April 2025

** Closing balance as at 31 March 2026

Table 33: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	4	0	0	4
Senior management	11	1	2	10
Professional qualified	22	3	2	23
Skilled	184	32	26	192
Semi-skilled	56	1	9	44
Unskilled	0	0	0	0
Total	277*	37**	39	273

* As at 1 April 2026

** At year end, 15 internal appointments were made, bringing the total of appointments made to 52.

Table 34: Reasons for employees leaving

Reason	Number	Percent of total number of employees leaving
Death	0	0.0%
Resignation	28	71.8%
Dismissal	8	20.5%
Retirement	1	2.6%
Ill health	1	2.6%
Expiry of contract	0	0%
Other	1	2.6%
Total	39	100%

*The main reasons for employees leaving the FIC include pursuing opportunities for career growth and/or better earning opportunities and employee benefits. The FIC's HR framework is reviewed on an ongoing basis, to address high turnover.

Table 35: Labour relations – Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	3
Final written warning	2
Dismissal	8

Table 36: Equity target and employment equity status (male) *

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	1	1	1	0	0	1	1
Senior management	2	4	0	0	2	1	3	2
Professional qualified	7	8	1	1	0	1	2	4
Skilled	58	86	2	2	4	5	12	11
Semi-skilled	9	5	0	0	0	0	1	0
Unskilled	0	0	0	0	0	0	0	0
Total	77	104	4	4	6	7	19	18

Note: The equity targets are for 1 October 2025 to 30 September 2030 as submitted to the Department of Employment and Labour.

Table 37: Equity target and employment equity status (female)*

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	1	1	0	0
Senior management	3	4	0	0	1	1	2	2
Professional qualified	6	7	0	0	0	1	4	3
Skilled	78	89	8	2	5	6	12	15
Semi-skilled	45	51	1	1	2	1	7	4
Unskilled	0	0	0	0	0	0	0	0
Total	132	152	9	3	9	10	25	24

Note: The equity targets are for 1 October 2025 to 30 September 2030 as submitted to the Department of Employment and Labour.

* Statistics reflected as for current male and female employees is as submitted to the Department of Employment and Labour as at 30 September 2025.

Table 38: Equity target and employment equity status (people with disabilities)

Levels	DISABLED EMPLOYEES			
	Male		Female	
	Current	Target	Current	Target
Top management	0	1	0	1
Senior management	0	1	0	1
Professional qualified	1	1	0	1
Skilled	1	1	2	2
Semi-skilled	0	1	2	2
Unskilled				
Total	2	5	4	7

*Ongoing effort is being made to attract people with disabilities. The equity targets are for 1 October 2025 to 30 September 2030 as submitted to the Department of Employment and Labour.

PART

PFMA COMPLIANCE REPORT



INFORMATION ON IRREGULAR, FRUITLESS AND **WASTEFUL EXPENDITURE AND MATERIAL LOSSES**

Table 39: Irregular expenditure

Irregular and fruitless and wasteful expenditure	2025/26	2024/25
Detail	R'000	R'000
Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-
Total	-	-

There were no new cases of irregular expenditure or fruitless and wasteful expenditure identified during the year.

Reconciliation of irregular expenditure	2025/26	2024/25
Description	R'000	R'000
Confirmed irregular expenditure	-	-
Less irregular expenditure condoned	-	-
Less irregular expenditure not condoned and removal approved	(3)	(47)
Less Irregular expenditure written off - not recoverable		(6)
Net balance	(3)	(53)

There were no new cases of irregular expenditure identified during the year. An amount of R2 699 was not condoned by National Treasury and approved by the Director for removal.

a) Reconciling notes to the AFS disclosure	2025/26	2024/25
Irregular expenditure	R'000	R'000
Irregular expenditure that was under assessment in 2023/24 confirmed in CY		
Irregular expenditure that relates to 2023/24 and identified in 2024/25	-	-
Irregular expenditure - identified and confirmed in the year	-	-
Payment made on multi-year contract	-	-
Total	-	-

b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)		2025/26	2024/25
Description		R'000	R'000
Irregular expenditure under assessment			-
Irregular expenditure under determination			60
Irregular expenditure under investigation			
		-	60

An incident amounting to R60 247 was discovered during the prior year and is under determination.

c) Details of current and prior year irregular expenditure condoned		2025/26	2024/25
Description		R'000	R'000
Irregular expenditure condoned		-	-
		-	-

d) Details of current and prior year irregular expenditure removed - not condoned		2025/26	2024/25
Description		R'000	R'000
Irregular expenditure not condoned and removed		(3)	(47)
		(3)	(47)

During the year, National Treasury rejected requests for condonement, amounting to R2 699 and recommended that it be referred to the Accounting Authority to be written off if all requirements in terms of the instruction note have been met. The Accounting Authority approved the write off request, since it complied with all the requirements of the NT instruction note.

e) Details of current and prior year irregular expenditure recovered		2025/26	2024/25
Description		R'000	R'000
Irregular expenditure recovered		-	-
		-	-

f) Details of current and prior year irregular expenditure written off (irrecoverable)	2025/26	2024/25
Description	R'000	R'000
Irregular expenditure written off		(6)
	-	(6)

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure		
Disciplinary steps taken		

During the year one employee received a verbal warning, one employee received a written warning, one employee received a final written warning and one employee was dismissed.

Table 40: Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure	2025/26	2024/25
Description	R'000	R'000
Fruitless and wasteful expenditure incurred and confirmed in prior year	-	-
Less fruitless and wasteful expenditure written off	-	-
Less fruitless and wasteful expenditure recoverable	-	-
Closing balance	-	-

There were no new cases of fruitless and wasteful expenditure identified during the year.

a) Reconciling notes to the AFS disclosure	2025/26	2024/25
Fruitless & Wasteful expenditure	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23 confirmed in CY	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year - identified and confirmed in that year	-	-
Total	-	-

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)	2025/26	2024/25
Description	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	112	110
Fruitless and wasteful expenditure under investigation	-	-
Total	112	110

Fruitless and wasteful expenditure of R109 720 was under determination in the prior year. During the current year, another incident of R1 860 was added, resulting in a total of R111 580 being under determination for the current year.

c) Details of current and prior year fruitless and wasteful expenditure recovered	2025/26	2024/25
Description	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
	-	-

d) Details of current and prior year fruitless and wasteful expenditure written off	2025/26	2024/25
Description	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
	-	-

e) Details of current and prior year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure		
Disciplinary steps taken	2025/26	2024/25
N/A	-	-

Separate register for historic fruitless and wasteful expenditure

Description	R'000	R'000
Fruitless and wasteful expenditure - historical amounts. Incurred and determined in 2021/22	-	-

INFORMATION ON **SUPPLY CHAIN MANAGEMENT**

Table 41: Information on late and/or non-payment of suppliers

Description	Number of invoices	Consolidated value (R'000)	Reasons for non-compliance
Valid invoice received	2 168	146 329	
Invoices paid within 30 days or agreed period	2 149	141 217	
Invoice paid after 30 days or agreed period	19	5 111	Ten invoices (nine for legal costs and one for refurbishment) were paid late as additional funds had to be approved. Nine invoices were paid late due to administrative delays: *One invoice was erroneously rejected by the user business unit and could not be rectified in time as it occurred just before the December closure period. The invoice was paid in January 2026. *Six invoices due on 31 May 2025 (a Saturday) were released late, and due to year end activities, this was not detected. *Two invoices were processed late by the creditors due to miscommunication within the unit that resulted in an error in the calculation of the relevant days for the invoice.
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0	
Invoices older than 30 days or agreed period (unpaid and in dispute)	14	90	Twelve invoices awaiting credit notes. Four invoices were duplicated and eight were for flight cancellations. Two invoices under query, invoiced for the wrong traveller.

Table 42: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Delteq talent management software solution, including support and training, for a period of three years	Silversoft South Africa (Pty) Ltd	Sole source	FIC-2025/26-0507	1 347
Microsoft Azure unified support services for a period of three years	Microsoft Ireland Operations Limited	Sole source	FIC-2025/26-0519	4 476
Office renovation project at Byls Bridge Office Park, Centurion to accommodate the SecFin team Increase of estimated amount previously reported	Centurion Vision Development (Pty) Ltd	Single source	FIC-2023/24-0361 FIC-2023/24-0403	150
BoardEffect board management software subscription and orientation training services for a period of three years	SurTech Solutions RSA (Pty) Ltd	Sole source	FIC-2025/26-0531	1 738
Attendance of conferences, workshops, summits, seminars, webinars and industry specialised training for a period of five years	Various suppliers	Single source	N/A	4 500
London Stock Exchange Group paid subscription services for a period of three years	Refinitiv SA Incorporated	Single source	FIC-2026/27-0568	3 142
Who Owns Whom subscription for a period of three years	Who Owns Whom (Pty) Ltd	Single source	FIC-2026/27-0557	1 981
Job board subscription services for a period of three years	Pnet (Pty) Ltd and LinkedIn	Multiple sources	FIC-2026/27-0566 FIC-2025/26-0516 (a)	1 582
Experian, LexisNexis suite (Windeed and Diligence) and library and statutes paid subscription services, systems and databases for a period of three years	Experian South Africa (Pty) Ltd and LexisNexis South Africa (Pty) Ltd	Multiple sources	FIC-2026/27-0565 FIC-2026/27-0562 FIC-2026/27-0563 FIC-2026/27-0564	10 146
Abby software licences, including maintenance and support services, for a period of three years	Deltalink Consulting (Pty) Ltd	Single source	FIC-2026/27-0556	1 243

Table 43: Contract variations and expansions

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Provision of individual integrated psychometric assessment reports	BLOSS Southern Africa (Pty) Ltd	Expansion	FIC-2024/25-0445 (A)	253	0	63
Additional TRM forensic tool license and project management fee	Forensic Worx (Pty) Ltd	Expansion	FIC-2024/25-0424	3 059	0	740
Online law library subscription	Juta & Company (Pty) Ltd	Variation	FIC-2025/26-0535	706	0	107
Ten additional Halo ITSM concurrent user licences and support services	Pink Elephant ITSM Support Solutions (Pty) Ltd	Expansion	FIC-2025/26-0536	641	0	159
Additional one-day ICT Governance Committee Training	Analytix Academy (Pty) Ltd	Expansion	PO 26414	44	0	29

PART F

FINANCIAL INFORMATION



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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REPORT OF THE EXTERNAL AUDITOR

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Financial Intelligence Centre (the Public Entity) as set out on pages 135 to 174, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Financial Intelligence Centre as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity, in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. The supplementary information set out on pages 8 to 124 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA); and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to Delivery of Financial Intelligence presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the Public Entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- 1.1.1 Number of risk and compliance awareness initiatives conducted
 - 1.2.1 Number of risk-based compliance review reports issued
 - 1.3.1 Number of FIC risk-based inspection reports issued
 - 1.4.1 Percentage success rate of matters referred for administrative sanctions
 - 2.1.1 Number of proactive high-priority financial intelligence reports issued to stakeholders per annum
 - 2.1.2 Number of proactive medium to lower priority financial intelligence reports issued to stakeholders per annum
 - 2.1.3 Percentage of reactive financial intelligence reports issued to stakeholders
 - 2.1.4 Number of elevated financial intelligence reports issued to stakeholders on illicit financial flows per annum
 - 2.2.1 Number of conducted stakeholder engagements to improve the understanding and utilisation of FIC products and/or services per annum
 - 2.3.1 Percentage response to requests to block funds
 - 2.4.1 Number of forensic reports and/or affidavits for court proceedings issued to stakeholders
 - 3.1.1 Response to each request for technical assistance from countries within the ESAAMLG region
 - 3.2.2 Timely implementation of UNSC-targeted financial sanctions
 - 3.2.3 Monitoring policy implementation pursuant to Money Laundering/Terror Financing/Proliferation Financing (ML/TF/PF) NRA.
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Public Entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the Public Entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the Public Entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

18. I draw attention to the matter[s] below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement.

20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 27, 57 to 58, 77 to 78 and 91 to 92.

Delivery of financial intelligence

Targets achieved: 87% Budget spent: 90%		
Key [service delivery] indicator not achieved	Planned target	Reported achievement
1.3.1 Number of FIC risk-based inspection reports issued	550	549
3.2.2 Timeous implementation of UNSC-targeted financial sanctions	New UNSC designations and changes to existing UNSC designations implemented within 24 business hours of changes being made to the UNSC Consolidated List	168 of 169 New UNSC Designations and changes to existing UNSC designations were implemented within 24 business hours of changes being made to the UNSC Consolidated List.

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the Public Entity's compliance with legislation.

22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Public Entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

25. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected material performance indicators presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material performance indicators presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. I did not identify any significant deficiencies in internal control.

Auditor-General

30 July 2026



ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements/ consolidated financial statements/ consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(2)(c); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

ACCOUNTING AUTHORITY'S REPORT RESPONSIBILITIES AND APPROVAL

The Accounting Authority of the Financial Intelligence Centre (FIC) is pleased to submit this report, together with the FIC's annual financial statements, for the year ended 31 March 2026.

The Accounting Authority acknowledges responsibility for the preparation and integrity of the annual financial statements and related information included in the annual report. In order for the Accounting Authority to discharge these responsibilities, as well as those bestowed on the Accounting Authority in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) and other applicable legislation, the Accounting Authority has developed and maintains a system of internal controls, designed to provide reasonable assurance regarding the achievement of objectives.

1. ESTABLISHMENT, MANDATE AND OPERATIONS OF THE FIC

The FIC is established in terms of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). The mandate of the FIC is to identify the proceeds of crime and assist in combating money laundering, and the financing of terrorism and proliferation financing.

The FIC Act works in concert with the Prevention of Organised Crime Act, 1998 (Act 121 of 1998) and the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004).

The FIC Act established the FIC and placed obligations on financial institutions and other businesses deemed vulnerable to money laundering and terrorist financing. The Prevention of Organised Crime Act introduced the crime of money laundering. The Protection of Constitutional Democracy Against Terrorist and Related Activities Act introduced measures to address the financing of acts of terrorism.

2. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Accounting Authority reviewed the cash flow forecast for the 12 months ending 31 March 2027 and presumes that the FIC will have sufficient funds to finance future operations.

3. INTERNAL CONTROLS

Internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with best business practice, as well as policies and procedures established by the Accounting Authority and independent oversight by the Audit and Risk Committee. The system contains self-monitoring mechanisms and actions are taken to correct deficiencies as they are identified.

4. ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury, and directives issued by the Accounting Standards Board.

ACCOUNTING AUTHORITY'S REPORT RESPONSIBILITIES AND APPROVAL

5. CORPORATE GOVERNANCE

General

The Accounting Authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting authority supports the highest standards of corporate governance and the ongoing development of best practice.

Audit and Risk Committee

The Audit and Risk Committee comprised five members for the year ending 31 March 2026 and had five operational meetings during the year, in accordance with its approved charter that requires a minimum of four meetings.

Internal audit

The entity has outsourced its internal audit function, which reports functionally to the Audit and Risk Committee.

6. SUBSEQUENT EVENTS

The Accounting Authority is not aware of any matter or circumstance arising between 31 March 2026 and the date of this report, not dealt with in the annual financial statements, which would significantly affect the operations or results of the FIC.

7. BANKERS

Standard Bank of South Africa Limited.

8. AUDITORS

Auditor-General of South Africa.



Thabiso Thiti
Accounting Authority
Financial Intelligence Centre

30 July 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Assets			
Current assets			
Cash and cash equivalents	3	159 885	86 872
Prepayments	4	15 500	24 398
Receivables from exchange transactions	5	578	383
Inventories	6	261	291
		176 224	111 944
Non-current assets			
Property, plant and equipment	7	54 143	50 782
Intangible assets	8	31 728	33 287
Long-term receivables	9	926	824
		86 797	84 893
Total assets		263 021	196 837
Liabilities			
Current liabilities			
Payables from exchange transactions	10	19 659	19 749
Third party deposits	11	80	70
Finance lease obligation	12	546	810
		20 285	20 629
Non-current liabilities			
Operating lease liability	13	24 536	16 459
Finance lease obligation	12	-	546
		24 536	17 005
Total liabilities		44 821	37 634
Net assets		218 200	159 203
Accumulated surplus		218 200	159 203
Total net assets		218 200	159 203

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Revenue			
Non-exchange revenue			
Government grant	14	480 989	400 871
Exchange revenue			
Interest received	15	10 419	8 597
Other income		387	241
Total revenue from exchange transactions		10 806	8 838
Total revenue		491 795	409 709
Expenditure			
Depreciation and amortisation	16	(19 525)	(21 073)
Employee related costs	17	(265 878)	(247 736)
Finance costs	18	(117)	(206)
General expenses	19	(103 759)	(105 288)
Lease rentals - operating leases	20	(43 608)	(43 442)
Impairment of financial assets	21	(13)	(258)
Total expenditure		(432 900)	(418 003)
Surplus (deficit) for the year from operations		58 895	(8 294)
Gain or (loss) on disposal of assets	22	102	(188)
Surplus (deficit) for the year		58 997	(8 482)

STATEMENT OF CHANGES IN NET ASSETS

AS AT 31 MARCH 2026

	Accumulated surplus / deficit R'000	Total net assets R'000
Balance at 1 April 2024	167 685	167 685
Deficit for the year	(8 482)	(8 482)
Total changes	(8 482)	(8 482)
Balance at 1 April 2025	159 203	159 203
Surplus for the year	58 997	58 997
Total changes	58 997	58 997
Balance at 31 March 2026	218 200	218 200

CASH FLOW STATEMENT

AS AT 31 MARCH 2026

	Notes	2026 R'000	2025 R'000
Cash flows from operating activities			
Receipts			
Transfer revenue		480 989	400 871
Interest income		10 275	8 582
Other income		231	236
		491 495	409 689
Payments			
Employee costs		(265 219)	(247 736)
Suppliers		(131 111)	(147 501)
Finance costs		(117)	(206)
	23.1	(396 447)	(395 443)
Net cash flows from operating activities	23	95 048	14 246
Cash flows from investing activities			
Purchase of property, plant and equipment		(16 133)	(21 700)
Proceeds from sale of property, plant and equipment		488	375
Purchase of other intangible assets		(5 580)	(1 695)
Net cash flows from investing activities		(21 225)	(23 020)
Cash flows from financing activities			
Finance lease payments		(810)	(720)
Net increase / (decrease) in cash and cash equivalents		73 013	(9 494)
Cash and cash equivalents at the beginning of the year		86 872	96 366
Cash and cash equivalents at the end of the year	3	159 885	86 872

23.1 Payments were previously split between Payments to Suppliers and Finance costs. Payments to Suppliers have now been split into Payments to Suppliers and Payments to Employees. The comparative figures have accordingly been adjusted.

SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1. Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act 1999 (Act 1 of 1999). Management used assessments and estimates in preparing the annual financial statements, based on the best information available at the time of preparation. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 First-time adoption of Standards of GRAP.

1.2. Offsetting

Assets, liabilities, revenue and expenses have not been offset except where offsetting is required or permitted by GRAP.

1.3. Materiality

In determining materiality for the preparation of the annual financial statements, consideration is given to the nature of the activities of the FIC and the areas where significant judgment is exercised.

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Non-financial materiality

The non-financial materiality is derived from legislation that requires the FIC to report certain incidents, or alternatively legislation requires disclosure in the annual report.

Financial materiality

In determining financial materiality, the FIC applies the National Treasury's Practice Note and adjusts the financial statements for any errors identified during the external audit process, irrespective of the amount.

SIGNIFICANT ACCOUNTING POLICIES

1.4. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life of the asset.

The carrying amount of an item in property, plant and equipment is recognised on disposal or when no future economic benefits or service potential is expected from its use. The gain or loss arising from the derecognition is included in the surplus or deficit when the item of property, plant and equipment is derecognised.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

The FIC recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits or service potential embodied within the part that will flow to the FIC and the cost of such item can be measured reliably. All other costs are recognised in the statement of financial performance as and when the expense is incurred.

The FIC assesses at each reporting date whether there is any indication that the FIC's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the FIC revises the expected useful life and/or residual value accordingly. The changes are accounted for as a change in an accounting estimate.

The recoverable service amount of property, plant and equipment is the greater of an asset's fair value, less costs to sell and its value in use. Value in use is the present value of the asset's remaining service potential determined by the depreciated replacement cost approach.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to its recoverable service potential, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

The estimated useful lives are as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 to 30 years
Motor vehicles	Straight-line	10 to 15 years
Office equipment	Straight-line	3 to 30 years
Computer hardware	Straight-line	3 to 30 years
Leasehold improvements	Straight-line	over the lease period
Security equipment	Straight-line	10 to 20 years

SIGNIFICANT ACCOUNTING POLICIES

1.5. Intangible assets

Intangible assets comprise identifiable, non-monetary assets without physical substance. An intangible asset is recognised when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the FIC and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets shall be carried at their respective costs, less any accumulated amortisation and any accumulated impairment losses. The cost of intangible assets with finite useful lives are amortised over the estimated useful lives. All other licenses are amortised over the underlying contract period.

The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed at each reporting date. If the expected useful life of an asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for as changes in accounting estimates.

Amortisation is calculated on a straight-line basis to allocate the depreciable amount of the intangible asset on a systematic basis over the useful life. Amortisation commences when the asset is ready for its intended use. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight-line	3 to 25 years
Computer licenses	Straight-line	1 to 7 years

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits or service potential embodied in the specific assets to which it relates. All other expenditure is expensed.

An intangible asset is derecognised when the asset is disposed of or when there is no further economic benefit or further service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined by the difference between the sales proceeds and the carrying amount and is recognised as a surplus or deficit in the statement of financial performance.

1.6. Financial instruments - GRAP 104 (Previous policy applied in comparative period)

1.6.1. Classification

The financial instruments recognised in the statement of financial position and in the notes thereof consist of:

- Financial assets
 - Cash and cash equivalents
 - Receivables from exchange transactions
- Financial liabilities
 - Financial lease obligation
 - Trade payables

SIGNIFICANT ACCOUNTING POLICIES

1.6.2. Initial recognition and measurement

Financial instruments are recognised in the statement of financial position when the FIC becomes a party to the contractual provisions of a financial instrument. Financial instruments are initially recognised at fair value that includes transaction costs.

1.6.3. Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at amortised costs using the effective interest rate method according to the following:

- **Amortised cost**

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method of the difference between that initial amount and the maturity amount minus any reduction for impairment or uncollected amounts.

- **Effective interest rate method**

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and by allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash with banks that are readily convertible to a known amount of cash and are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Receivables from exchange transactions

Receivables are stated at amortised cost, which due to their short-term nature, closely approximate their fair value.

Long-term receivables

Long-term receivables are initially recorded at fair value and subsequently measured at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost, which is due to their short-term nature, closely approximate their fair value.

1.7. Financial instruments - GRAP 104 (revised 2019) - current policy

Applied from the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive (see note 30 'Changes in accounting policy').

1.7.1. Initial recognition

The FIC recognises financial assets and financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The FIC recognises and derecognises financial assets, applying trade date accounting.

1.7.2. Classification

The following financial asset classes are measured at amortised cost as both of the following conditions are met:

- These financial assets are held with the objective to collect contractual cash flows and
- The contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

SIGNIFICANT ACCOUNTING POLICIES

- **Financial assets**

- Cash and cash equivalents
- Receivables from exchange transactions
- Long-term receivables

The FIC classifies these financial liabilities as subsequently measured at amortised cost. The financial liabilities are:

- **Financial liabilities**

- Trade payables
- Third party deposits
- Finance lease obligation

1.7.3. Measurement

1.7.3.1. Initial measurement

At initial recognition, the FIC measures receivables from exchange transactions and trade and other payables at their transaction value.

1.7.3.2. Subsequent measurement

All financial assets and financial liabilities are subsequently measured at amortised cost, as credit periods granted and credit periods received are consistent with terms used in the public sector.

1.7.3.2.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash with banks that are readily convertible to a known amount of cash and are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

1.7.3.2.2 Receivables from exchange transactions

Receivables are stated at amortised cost, which due to their short-term nature, closely approximate their fair value.

1.7.3.2.3 Long-term receivables

Long-term receivables are initially recorded at fair value and subsequently measured at amortised cost.

1.7.3.2.4 Trade and other payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost, which due to their short-term nature, closely approximate their fair value.

1.7.3.2.5 Third party deposits

Third party deposits are initially measured at fair value and subsequently measured at amortised cost.

1.7.4. Recognition of expected credit losses

General approach

The FIC applies the general approach and recognises a loss allowance for expected credit losses on the following financial assets:

- Cash and cash equivalents
- Receivables from exchange transactions
- Long-term receivables

At each reporting date, the FIC measures the loss allowance for these financial assets as follows:

Stage 1 — Where the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses.

Stage 2 — Where the credit risk on a financial asset has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime expected credit losses.

Stage 3 — Where a financial asset is credit-impaired, the loss allowance is measured at an amount equal to lifetime expected credit losses.

SIGNIFICANT ACCOUNTING POLICIES

At each reporting date, the FIC recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance. This gain or loss is measured as the difference between the existing loss allowance balance and the amount determined at the reporting date in accordance with the expected credit loss model.

When a credit risk is low, the expected credit loss is measured at the 12-month expected credit loss.

1.7.5. Determining significant increases in credit risk

The FIC assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default occurring at the reporting date with the risk of default at the date of initial recognition. This assessment is based on all reasonable and supportable information available without undue cost or effort, including both quantitative and qualitative information and analysis based on the FIC's historical experience and informed credit assessment.

The FIC applies the rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the FIC has reasonable and supportable information demonstrating that a significant increase in credit risk has not occurred.

1.7.6. Measurement of expected credit losses

The FIC considers a financial asset to be in default when the debtor is unlikely to pay his obligation to the FIC in full, or when the financial asset is more than 90 days past due. The 90-day threshold is applied consistently across all financial assets as it aligns with the FIC's internal credit monitoring processes.

The FIC considers cash and cash equivalents to have a low credit risk when using the latest published credit ratings from Moody's.

1.7.7. Write-off

The gross carrying amount of a financial asset is written off when the FIC has no reasonable expectation of recovering the financial asset in its entirety or a proportion thereof.

Upon write-off, the FIC directly reduces the gross carrying amount with the approved amount for write-off. The loss allowance is reduced by the portion previously recognised for that specific asset, and any remaining difference between the gross carrying amount written off and the reduction in the loss allowance is recognised immediately in surplus or deficit.

1.7.8. Derecognition

Derecognition of financial assets

The FIC derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expired, was settled or waived.

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

1.8. Tax

Tax expenses

The FIC is exempt from income tax in terms of the provisions of section 10(1)(cA) of the Income Tax Act, 1962 (Act 58 of 1962).

1.9. Leases

A lease is classified as a finance lease or an operating lease.

SIGNIFICANT ACCOUNTING POLICIES

Finance leases - lessee

1.9.1. Initial recognition

Finance leases are leases that substantially transfer all risks and rewards associated with ownership of the asset to the FIC. Title may or may not transfer.

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The future minimum lease payments are discounted to present value at the interest rate implicit in the lease. If it is not possible to calculate the rate implicit in the lease, the FIC uses the gazetted standard government borrowing rate. Any initial direct costs of the lessee are added to the amount recognised as an asset.

1.9.2. Subsequent measurement

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

Assets subject to finance lease agreements are capitalised at cost and depreciated on the straight-line basis over the duration of the lease contract.

Operating leases - lessee

An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all risks and rewards incidental to ownership. Lease incentives for a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentives nature or form or the timing of payments.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis as a reduction of the lease payments over the term of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10. Inventories

Inventory is stated at cost on initial recognition and measured at the lower of cost or current replacement costs and comprises mainly of printing and stationery supplies and corporate promotional items consumed or distributed in the rendering of services.

1.11. Employee benefits

1.11.1. Short-term employee benefits

Recognition and measurement

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

The cost of short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to salaries, performance bonuses and annual leave represent the amounts that the FIC has a present obligation to pay as a result of services provided by employees. Providing for the employee benefits has been calculated at undiscounted amounts based on the current salary rates, because of their short-term nature.

1.11.2. Other long-term employee benefits

Recognition and measurement

The FIC contributes to a defined contribution fund in respect of employees. The contributions are included in employee costs in the year to which they relate.

SIGNIFICANT ACCOUNTING POLICIES

1.11.3. Termination benefits

Recognition and measurement

Termination benefits are recognised as an expense when the FIC is committed, without a realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the FIC has made an offer encouraging voluntary redundancy; it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

1.12. Provisions and contingencies

Provisions are recognised when:

- The FIC has a present obligation as a result of a past event
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- A reliable estimate can be made of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A contingent liability is a:

- Possible obligation, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the FIC or
- Present obligation that is not recognised because, the outflow of economic benefits or service potential is not probable or
- Real present obligation, which may not be recognised, either because either the timing or measurement is not known.

Contingent liabilities are not recognised as liabilities because they are either:

- Possible obligations, as it has yet to be confirmed whether the FIC has a present obligation that could lead to an outflow of resources embodying economic benefits or service potential; or
- Present obligations that do not meet the recognition criteria of a liability.

Contingent liabilities are continuously reviewed to determine if the outflow or resources have become probable. A provision is raised in the financial statements in the period in which the outflow of resources becomes probable.

1.13. Revenue from exchange transactions

Exchange revenue comprises finance income and other income.

1.14. Revenue from non-exchange transactions

A transfer is recognised as revenue to the extent that there is no further obligation arising from the receipt of the transfer payment.

1.15. Transfer from National Treasury

The transfer from National Treasury is recognised when the resources that have been transferred meet the criteria for recognition as an asset.

1.16. Interest received

Interest received on funds invested is recognised on a time proportion basis as it accrues, using the effective interest rate method. Interest received comprises:

- Interest received from funds invested
- Present value adjustment on long-term receivables.

SIGNIFICANT ACCOUNTING POLICIES

1.17. Finance cost

Finance cost comprises interest expenses on borrowings and impairment losses recognised on financial assets. All borrowing costs are recognised in the statement of financial performance using the effective interest rate method.

1.18. Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are converted into South African rands at the rate of exchange ruling at the date of such transaction. Balances outstanding on the foreign currency monetary items at the end of the reporting period are translated into South African rands at the rates ruling at that date.

Foreign exchange differences on settlement of foreign currency monetary liabilities during the reporting period are recognised in the statement of financial performance.

1.19. Comparative figures

Comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, unless another Standard of GRAP requires or permits otherwise. Comparative information is reclassified when the presentation or reclassification of current period items are amended, disclosing the nature, amount and reason for the reclassification.

1.20. Accounting for non-exchange transactions

Recognition of revenue from non-exchange transactions. An inflow of resources from a non-exchange transaction, recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

- If a present obligation of a recognised liability, in respect of an inflow of resources from a non-exchange transaction meets the recognition criteria of an asset, the carrying amount of the liability is reduced and an amount equal to the reduction is recognised as revenue.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when:

- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation.

Non-exchange transactions are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Non-exchange transactions that become receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised as income of the period in which it becomes receivable.

1.21. Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements' disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

SIGNIFICANT ACCOUNTING POLICIES

Fruitless and wasteful expenditure for previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- Fruitless and wasteful expenditure incurred and confirmed in the previous financial year.
- Fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year.
- Fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

1.22. Irregular expenditure

Irregular expenditure is expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation. The expenditure must have been recognised in the statement of financial performance or the liability recognised in the statement of financial position.

Irregular expenditure, when incurred and confirmed, is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- Irregular expenditure incurred and confirmed in the previous financial year.
- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year.
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

1.23. Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the FIC, including those charged with the governance of the FIC in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the FIC.

The FIC is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the FIC to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

SIGNIFICANT ACCOUNTING POLICIES

1.24. Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date) and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Adjusting events

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Non-adjusting events

The entity will not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date. Should the non-adjusting event after the reporting date be material and the non-disclosure could influence the economic decisions of users taken on the basis of the financial statements, the FIC will disclose the following for each material category of non-adjusting events after the reporting date:

- The nature of the event
- An estimate of its financial effect, or a statement that such an estimate cannot be made.

1.25. Critical accounting estimates and judgments

Management makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the accounting policy for property, plant and equipment and intangible assets, where applicable. Management continually evaluates estimates and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

SIGNIFICANT ACCOUNTING POLICIES

2. NEW STANDARDS AND INTERPRETATIONS

2.1. Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

STANDARD / INTERPRETATION	EXPECTED IMPACT
<ul style="list-style-type: none"> GRAP 104 (as revised): Financial Instruments 	The adoption of this has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

2.2. Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2026 or later periods:

STANDARD / INTERPRETATION	EXPECTED IMPACT
<ul style="list-style-type: none"> GRAP 2023 Improvements to the Standards of GRAP 2023 	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 1 (amended): Presentation of Financial Statements (Going Concern) 	Unlikely there will be a material impact

2.3. Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2026 or later periods but are not relevant to its operations:

STANDARD / INTERPRETATION	EXPECTED IMPACT
<ul style="list-style-type: none"> GRAP 107 (as revised) Mergers 	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control 	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 105 Transfer of Functions Between Entities Under Common Control 	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 103 (amended): Heritage Assets 	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

	2026 R'000	2025 R'000
Cash at bank - Standard Bank	44 021	26 695
Cash on hand	4	6
Call deposit - Corporation for Public Deposits	115 860	60 171
	159 885	86 872

Financial instrument disclosure

The management of the FIC is of the opinion that the carrying value of bank balances, cash and cash equivalents recorded at amortised cost in the audited annual financial statements approximate their fair values. The fair value of bank balances, cash and cash equivalents was determined after considering the standard terms and conditions of agreements entered into between the FIC and financial institutions.

4. PREPAYMENTS

	2026 R'000	2025 R'000
Computer licences and support	13 255	18 970
Insurance	343	311
Membership and professional fees	1 715	4 936
Motor vehicle repairs and maintenance	-	1
Staff training	112	74
Subscriptions	75	106
	15 500	24 398

Pre-payments are payments made at the beginning of a contract period and then expensed over the term of that contract period or based on actual usage of the services or goods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2026 R'000	2025 R'000
Current employees and previous employees	85	75
Accrued interest	358	316
Sundry receivables	145	12
Payroll receivables	525	502
Impairment of receivables	(535)	(522)
	578	383

Financial instrument disclosure

The average collection period depends on the nature of the receivable. No interest is charged.

The management of the FIC is of the opinion that the carrying value of non-exchange receivables approximate their fair values. The fair value of receivables is determined after considering the standard terms and conditions of agreements entered into between the FIC and the debtor and their current payment ratio.

In determining the recoverability of a receivable, the FIC considers any change in the credit quality of the receivable from the date of acknowledgement of debt up to the reporting date.

Reconciliation of impairment

	2026 R'000	2025 R'000
Opening balance: Impairment under GRAP 104	(522)	(868)
Amounts written off	-	379
Remeasurement of loss allowance	(13)	(33)
	(535)	(522)

The impairment provision was calculated after individually assessing each receivable and by estimating the probability of future payment by considering the historical payment ratios and other characteristics per individual debtor.

6. INVENTORIES

	2026 R'000	2025 R'000
Consumables on hand	133	98
Corporate gifts and promotional items	128	193
	261	291

Consumables comprise stationery on hand.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. PROPERTY, PLANT AND EQUIPMENT

	2026			2025		
	Cost / valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Office furniture	12 421	(8 527)	3 894	11 711	(8 056)	3 655
Motor vehicles	3 635	(566)	3 069	3 976	(588)	3 388
Office equipment	16 384	(12 294)	4 090	15 581	(10 632)	4 949
Computer hardware	77 079	(51 884)	25 195	65 394	(46 683)	18 711
Fixtures and fittings	6 108	(5 406)	702	6 069	(5 282)	787
Security equipment	332	(312)	20	332	(309)	23
Leasehold improvements	52 173	(35 000)	17 173	52 026	(32 757)	19 269
Total	168 132	(113 989)	54 143	155 089	(104 307)	50 782

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Additions through transfer	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Office furniture	3 655	731	-	(5)	(487)	3 894
Motor vehicles	3 388	-	-	(156)	(163)	3 069
Office equipment	4 949	1 354	16	(56)	(2 173)	4 090
Computer hardware	18 711	13 828	-	(165)	(7 179)	25 195
Fixtures and fittings	787	55	-	(6)	(134)	702
Security equipment	23	-	-	-	(3)	20
Leasehold improvements	19 269	172	(16)	(5)	(2 247)	17 173
	50 782	16 140	-	(393)	(12 386)	54 143

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Office furniture	2 293	1 795	-	(433)	3 655
Motor vehicles	3 782	-	(231)	(163)	3 388
Office equipment	6 175	837	(26)	(2 036)	4 949
Computer hardware	13 315	13 409	(445)	(7 568)	18 711
Fixtures and fittings	869	109	-	(191)	787
Security equipment	26	-	-	(3)	23
Leasehold improvements	15 278	6 077	(386)	(1 700)	19 269
	41 738	22 227	(1 088)	(12 093)	50 782

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7.1. Assets subject to finance lease (net carrying amount)

	2026	2025
	R'000	R'000
Office equipment	477	1 177

The leased office equipment is encumbered as set out in note 12.

7.2. Disposals

The net disposal of R393 276 includes assets with a net carrying value of R108 442 which were stolen from staff during various robberies. The cost of stolen assets was claimed from the insurance company.

7.3. Reassessment of property, plant and equipment

During the year the useful life of certain assets were reassessed, including zero value assets with an initial cost of R812 348, resulting in an increase in the value of property plant and equipment of R351 545 (2025 decrease of R9 973). Refer to note 28.

8. INTANGIBLE ASSETS

	2026			2025		
	Cost / valuation	amortisation and accumulated impairment	Carrying value	Cost / valuation	amortisation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	90 022	(58 459)	31 563	85 109	(52 267)	32 842
Computer licences	1 252	(1 087)	165	1 449	(1 004)	445
Total	91 274	(59 546)	31 728	86 558	(53 271)	33 287

Reconciliation of intangible assets - 2026

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software	32 842	4 913	(6 192)	31 563
Computer licences	445	667	(947)	165
	33 287	5 580	(7 139)	31 728

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software	39 925	829	(7 912)	32 842
Computer licences	647	866	(1 068)	445
	40 572	1 695	(8 980)	33 287

Reassessment of intangible assets

During the year, the useful life of certain intangible assets were reassessed, resulting in an increase in the carrying value of intangible assets of R1 684 673 (2025: R nil). Refer to note 28.

9. LONG-TERM RECEIVABLES DEPOSITS

	2026	2025
	R'000	R'000
Rental - Byls Bridge Office Park	829	737
Municipal - Byls Bridge Office Park	97	87
	926	824

Refundable deposits were paid for electricity usage and rental of the office. These deposits will be refunded at the end of the lease term and are disclosed at amortised values. Refer to note 15 for the present value adjustment.

Financial instrument disclosure

Additional information on the financial instrument components of this note, as required by GRAP 104, is provided in note 31 - Financial Instruments - Risk Management and Other Disclosures.

10. PAYABLES FROM EXCHANGE TRANSACTIONS

	2026	2025
	R'000	R'000
Trade payables	8 387	9 136
Accrued leave payable	11 272	10 613
	19 659	19 749

Financial instrument disclosure

The FIC has an average credit period on purchases of 30 days from the receipt of the statement to ensure that all payables are paid within the credit time frame as determined in the PFMA. The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the FIC and other parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. THIRD PARTY DEPOSITS

	2026 R'000	2025 R'000
Opening balance	70	10
Additions	70	90
Paid to National Revenue Fund	(40)	(30)
Refunded to applicants	(20)	-
	80	70

In terms of the FIC Act, the FIC and each supervisory body may impose administrative sanctions on the accountable institutions they supervise. An accountable institution may appeal to the Appeal Board established under the FIC Act, against the imposed sanction after paying a prescribed fee of R10 000. The FIC, as secretariat of the Appeal Board, receives and holds the fee received on deposit pending the outcome of the appeal.

If the Appeal Board sets aside an administrative sanction, the appeal fees must be refunded to the appellant and if the Appeal Board varies the administrative sanction, the whole or any part of the appeal fees must be refunded to the appellant. If the Appeal Board upholds the administrative sanction, the appellant forfeits the appeal fees, and the FIC pays the fee into the National Revenue Fund.

Two appeals were set aside and appeal fees refunded to the appellant. Four appeals were heard and upheld by the Appeal Board, resulting in the appeal fees having been sacrificed by the appellants.

12. FINANCE LEASE OBLIGATION

	2026 R'000	2025 R'000
Minimum lease payments due		
- within one year	569	926
- in second to fifth year inclusive	-	569
	569	1 495
less: future finance charges	(23)	(139)
Present value of minimum lease payments	546	1 356
Current liabilities	546	810
Non-current liabilities	-	546
	546	1 356

The FIC policy is to lease certain printers under finance leases. Finance leases are secured over the leased assets - refer to note 7. The effective incremental borrowing rate for the leases was 11.75 percent. Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. Leases will come to an end on 31 December 2026.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. OPERATING LEASE LIABILITY

	2026	2025
	R'000	R'000
Non-current liabilities	24 536	16 459

Operating lease payments are recognised as an expense on a straight-line basis over the lease term - Refer to note 20 and note 27.2. The straight-line effect reduces as payments are made, resulting in the annual increase / decrease of the operating lease liability over the lease period. At the end of the lease period, the balance will be zero.

14. NON-EXCHANGE REVENUE

	2026	2025
	R'000	R'000
Transfer from National Treasury	480 989	400 871

The FIC relies on a government grant received from National Treasury. The grant is determined and allocated to the FIC during the annual MTEF budgeting processes and ultimately approved by Parliament during the governance processes. The grant is allocated to assist the FIC with exercising its mandate, and in so doing, defray operational and capital expenditure incurred by the FIC.

There are no conditions attached to the grant except for it being utilised in the execution of the FIC's mandate.

15. INTEREST RECEIVED

	2026	2025
	R'000	R'000
Interest bank	10 317	8 506
Interest financial assets - refer to note 9	102	91
	10 419	8 597

16. DEPRECIATION AND AMORTISATION

	2026	2025
	R'000	R'000
Property, plant and equipment	12 386	12 093
Intangible assets	7 139	8 980
	19 525	21 073

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17.EMPLOYEE RELATED COSTS

	2026	2025
	R'000	R'000
Salary cost	216 080	204 834
Gratuity	19 507	14 951
Unemployment Insurance Fund	572	568
Compensation for occupational injuries and disease	285	298
Provident fund	20 406	19 501
Group life	9 028	7 584
	265 878	247 736

18.FINANCE COSTS

	2026	2025
	R'000	R'000
Finance leases	117	206

Total interest expense was calculated using the incremental borrowing rate of 11.75% for financial liabilities that are not measured at fair value through surplus or deficit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. GENERAL EXPENSES

	Notes	2026 R'000	2025 R'000
Advertising		936	922
Audit and Risk Committee member fees		978	814
Auditors' remuneration		2 718	3 089
Bank charges		136	122
Cleaning		1 937	1 791
Computer expenses		37 016	34 351
Conferences and seminars		748	482
Consumables		896	595
Contractors and temporary workers		6 828	3 926
Employee training		2 302	1 841
Internal audit		463	1 055
Insurance		483	343
Legal fees	19.1	2 871	13 784
Marketing		1 457	1 575
Media, subscription and publications		3 756	3 400
Membership fees		5 917	4 699
Motor vehicle expenses		149	145
Municipal charges		8 066	7 334
Personal protection equipment		17	19
Postage and courier		17	14
Printing and stationery		273	204
Professional fees		8 533	9 231
Recruitment and placement fees		1 312	1 825
Refurbishment costs		67	806
Remuneration committee member fees		509	339
Repairs and maintenance	19.2	1 612	599
Security		3 383	3 039
Subsistence and accommodation - international		1 734	1 638
Subsistence and accommodation - local		1 272	1 022
Telephone and internet		1 573	1 872
Travel - international		2 184	1 388
Travel - local		1 395	1 014
Training academy - interns		2 221	2 010
		103 759	105 288

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19.1. Legal fees

	2026 R'000	2025 R'000
Appeal Board	158	923
Corporate legal	2 713	12 861
	2 871	13 784

19.2. Repairs and maintenance

	2026 R'000	2025 R'000
Payments made to service providers	1 291	401
Material purchased for general upkeep of assets	321	198
	1 612	599

19.3. Reclassification of comparative figures

Parking was previously separately disclosed in note 19 - General Expenses, but are now included in note 20 for Lease rentals - operating leases and disclosed in the Statement of Financial Performance.

The comparative figure for the previously disclosed Rent and operating cost of R46 310 272 are now split between Municipal charges of R7 333 751 (disclosed in General expenses) and Lease rental - operating leases of R38 976 521, included in note 20 and disclosed in the Statement of Financial Performance.

20. LEASE RENTALS - OPERATING LEASES

	2026 R'000	2025 R'000
Premises		
Contractual amounts	31 875	29 934
Lease smoothing straight-lining	7 234	9 042
	39 109	38 976
Parking		
Contractual amounts	3 656	3 433
Lease smoothing straight-lining	843	1 033
	4 499	4 466
	43 608	43 442

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Operating lease payments are recognised as an expense on a straight-line basis over the lease term - refer to note 13 and note 27.2

21.DEBT IMPAIRMENT – FINANCIAL INSTRUMENTS

	2026 R'000	2025 R'000
Trade and other receivables - refer to note 5	13	33
Financial instrument adjustments - refer to note 9	-	225
	13	258

The impairment provision was calculated after individually assessing each receivable and by estimating the probability of future payment, by considering the historical payment ratios and other characteristics per receivable.

22.GAIN (OR LOSS) ON DISPOSAL OF ASSETS

	2026 R'000	2025 R'000
Property, plant and equipment	102	(188)

23.NET CASH FLOWS FROM OPERATING ACTIVITIES

	2026 R'000	2025 R'000
Surplus (deficit)	58 997	(8 482)
Adjustments for:		
Depreciation and amortisation	19 525	21 073
(Profit) / loss on sale of assets	(102)	188
Income amortised	(102)	(91)
Net interest	(42)	76
Impairment of financial assets	-	225
Other income	(156)	(5)
Allowance of impairment	13	33
Operating lease - smoothing	8 077	10 073
Prepayment releases	51 481	66 345
Changes in working capital:		
Inventories	30	(207)
Receivables other	(10)	(16)
Prepayment paid	(42 583)	(73 602)
Increase / (decrease) in trade and other payables	(90)	(1 092)
Deposits paid - property	-	(332)
Deposits received - third parties	70	60
Deposits paid - third parties	(60)	-
	95 048	14 246

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24.EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plans

Employees of the FIC as well as certain contract workers and interns are members of Liberty Life Umbrella Provident Fund. This is a defined contribution fund and it is governed by the Pension Funds Act, 1956 (Act 24 of 1956) as amended. Employees are able to elect the rate at which they contribute towards the provident fund. The current contribution rates available for selection are as follows: 5 percent, 7.5 percent, 10 percent, 15 percent, 17.5 percent and 20 percent.

	2026	2025
	R'000	R'000
FIC contribution to scheme	29 434	27 319

25.RELATED PARTIES

25.1. National executive

The FIC has been established by National Treasury in terms of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). The Minister of Finance is the Executive Authority and the FIC is ultimately controlled by the national executive.

Non-exchange transfer	Opening balance	Funds received	Funds recognised	Closing balance
	R'000	R'000	R'000	R'000
National Treasury	-	480 989	(480 989)	-

The FIC received a non-exchange transfer from National Treasury for its activities to identify the proceeds of crime and combat money laundering and the financing of terrorism. There were no amounts owing to or by the FIC to National Treasury. Refer to note 14.

25.2. State controlled entities

As a national public entity fully funded by government, any other entity of national government is a related party. All the FIC's transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in the FIC's processes and did not recover any costs from the FIC for services rendered, and the FIC did not recover any costs for services provided.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
During the year under review, no related party services were received and/or provided.		
C Malan - Executive Manager Compliance and Prevention		
Cash component	2 118	1 997
Gratuity	337	199
Provident fund	711	660
	3 166	2 856
P Smit - Executive Manager Legal and Policy		
Cash component	3 137	2 736
Gratuity	318	205
Provident fund	553	510
	4 008	3 451

25.2.1. P Smit acted as Director from 1 April 2025 to 31 March 2026. An acting allowance of R781 679 (2025: R510 924) for the 12 months has been included in the cash component of R3 136 600 (2025: R2 736 139).

	2026 R'000	2025 R'000
P Biseswar - Executive Manager Monitoring and Analysis		
Cash component	2 294	2 165
Gratuity	357	189
Provident fund	399	365
	3 050	2 719
P Alberts - Acting Executive Manager Shared Forensic Capability		
Cash component	2 178	2 057
Gratuity	337	168
Provident fund	455	416
	2 970	2 641

25.2.2. P Alberts acted as Executive Manager: Shared Forensic Capability from 1 April 2025 to 31 March 2026. An acting allowance of R239 500 (2025: R224 883) for the 12 months has been included in the cash component of R2 177 980 (2025: R2 056 527).

	2026 R'000	2025 R'000
M Maboka - Executive Manager Corporate Services		
Cash component	2 392	2 252
Gratuity	355	203
Provident fund	487	451
	3 234	2 906
V MarshSmit - Chief Financial Officer		
Cash component	1 900	1 794
Gratuity	393	171
Provident fund	529	487
	2 822	2 452

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. CONTINGENCIES

26.1. Accumulated surplus

In terms of section 53(3) of the PFMA, a public entity may not accumulate surplus funds without written approval from National Treasury. The calculation of the surplus has been defined in National Treasury instruction No.03 of 2025/2026. The FIC will finalise its calculation and submit a formal request by 31 August 2026 to National Treasury, to retain the calculated surplus.

On 14 October 2025, National Treasury granted approval for the retention of R455 000 reported surplus for the year ended 31 March 2025. In terms of the new National Treasury Instruction Note no.03 of 2025/2026. This amount was derived after taking all qualifying commitments into account.

26.2. Litigation and claims

During the 2025/26 financial year the FIC joined proceedings in the following matters that are all at appeal stage. The outcomes of proceedings are all currently unknown and not within the FIC's control. It is therefore not possible to make a reasonable estimate of potential future costs, as the timing and measurement are not known.

- 26.2.1. The FIC opposed an appeal launched at the Pretoria High Court against the decision of the Appeal Board upholding a sanction issued by the FIC. The matter was heard on 10 March 2026 and judgment was handed down on 18 March 2026. The Appellant applied for special leave to appeal the judgment at the Supreme Court of Appeal on 13 April 2026. The FIC will be opposing the appeal.
- 26.2.2. An application was brought before the Equality Court and subsequently the High Court and other interlocutory applications. The FIC's legal team lodged a misjoinder application to be removed from these proceedings. The matter was heard on 17 November 2023 and judgment was handed down on 13 February 2024, granting the application with costs. The FIC's legal team filed a notice of appeal to the Supreme Court of Appeal and await a hearing date.
- 26.2.3. The FIC is opposing an appeal launched at the Johannesburg High Court against the decision of the Appeal Board upholding a sanction issued by the FIC. The matter has been set down for hearing on 26 May 2026.
- 26.2.4. The FIC is opposing an appeal launched at the Pretoria High Court for a review of certain aspects of the decision of the Appeal Board even though the appeal was upheld. The matter was heard on 3 February 2026 and judgment was handed down on 25 March 2026 upholding the appeal. The FIC applied for leave to appeal the judgment on 17 April 2026.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27.COMMITMENTS

27.1. Authorised capital expenditure

	2026 R'000	2025 R'000
Approved and committed capital expenditure		
Property, plant and equipment	6 774	484

This committed expenditure relates to property, plant and equipment and will be financed by retained surpluses and existing cash resources.

27.2. Operating leases

	2026 R'000	2025 R'000
Minimum lease payments due		
- within one year	37 834	35 531
- in second to fifth year inclusive	174 892	165 940
- later than five years	139 929	186 715
	352 655	388 186

Operating lease payments represent rentals payable by the FIC for certain of its office premises. The terms for the rental agreements are as follows:

Centurion leased premises

- Main building: Commenced on 1 December 2023 and terminates 30 November 2033.
- Fifty percent of the additional space in the adjacent building: Commenced 1 August 2023 and terminates 30 November 2033.
- The remaining 50 percent of the additional space in the adjacent building: Commenced 1 April 2024 and terminates 30 November 2033.

A lease incentive of R2 852 129 was received and is recognised on a straight-line basis over the period of the lease as a reduction of the lease payments.

Cape Town leased premises

The FIC exercised the option to renew the rental agreement for its Cape Town offices for a further 60 months. The lease commenced on 1 November 2024 and terminates on 31 October 2029. No lease incentive was received.

Leases are negotiated for an average term of five to 10 years, and annual escalations vary from 6.0 percent to 6.5 percent.

No contingent rent is payable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28.CHANGE IN ESTIMATE

Property, plant and equipment

	Initial estimate for 2026 R'000	Revised estimate for 2026 R'000	Increase / (decrease) current year R'000	Increase / (decrease) future years R'000
Computer hardware	110	25	(85)	85
Office equipment	242	37	(205)	205
Fixtures and fittings	71	9	(62)	62
	423	71	(352)	352

Review of property, plant and equipment

The useful life of certain assets have been reassessed, resulting in an increase in the carrying value of property, plant and equipment of R351 545 and a decrease in the depreciation of R351 545. The effect of the change in future years will be an increase in depreciation of R351 545, reversing the credit created in the current year of R351 545. Included in the reassessed assets were zero value assets with an initial cost of R812 348.

Intangible assets

	Initial estimate for 2026 R'000	Revised estimate for 2026 R'000	Increase / (decrease) current year R'000	Increase / (decrease) future years R'000
Computer software	1 965	281	(1 685)	1 685

Review of amortisation period and amortisation method

The change in the estimated useful life of intangible assets in the current year resulted in an increase in the carrying value of intangible assets of R1 684 673 and a decrease in the amortisation expense of R1 684 673. The effect of the change on future years will be an increase in amortisation of R1 684 673, reversing the credit of R1 684 673, created in the current year.

29.GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the FIC will have enough funds available to fund its short- to -medium-term operations. The ability of the FIC to continue as a going concern is mainly dependent on the government, as the shareholder, continuing funding its operations in the future through National Treasury.

Based on the published 2026/27 Estimate of National Expenditure, the FIC will be a going concern over the Medium-Term Expenditure Framework, as long as National Treasury continues to make funds available.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30.CHANGES IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of GRAP 104 Financial Instruments (revised 2019).

30.1. Nature of change

During the current reporting period, the entity applied the revised Standard of GRAP on Financial Instruments (GRAP 104, revised 2019) for the first time.

The revised Standard introduces, *inter alia*:

- A new classification model for financial assets and financial liabilities, based on the entity's management model for managing financial assets and on the characteristics of the contractual cash flows (SPPI condition).
- A new expected credit loss model for the impairment of financial assets measured at amortised cost.

The revised Standard became effective for the entity on 1 April 2025.

30.2. Transitional provisions

The FIC applied the Standard of GRAP on Financial Instruments (GRAP 104) (2019) retrospectively, in accordance with GRAP 3, except as specified otherwise in the transitional provision. GRAP 104 (revised 2019) was not applied to items that had already been derecognised at the date of initial adoption.

Despite the requirement to apply the Standard of GRAP on Financial Instruments (GRAP104) (2019) retrospectively, the FIC was not required to restate prior periods.

The FIC did not restate prior periods, and recognised any difference between the previous carrying amount and the carrying amount at the beginning of the reporting period that includes the date of initial adoption in the opening accumulated surplus or deficit (or other component of net assets, as appropriate) of the annual reporting period that includes the date of initial adoption.

At the date of initial adoption, the FIC:

- Assessed its management model for managing financial assets on the basis of the facts and circumstances that existed at that date. The resulting classification was applied retrospectively, irrespective of the FIC's management model in prior reporting periods.
- Had no changes in the classification or measurement of financial assets arose on adoption. All assets continued to be measured cash and cash equivalents, receivables from exchange transactions, and deposits all continued to be classified and measured at amortised cost under GRAP 104 (revised 2019), consistent with their classification under GRAP 104 (2009).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30.3. Impairment – Expected credit losses

The FIC applied the impairment requirements retrospectively in accordance with GRAP 3. Because the FIC did not restate comparative information, applying the impairment requirements retrospectively means the FIC measured impairment losses using expected credit losses as of the date of adoption (1 April 2025). The FIC recognised any difference between the previous loss allowance and the loss allowance at the beginning of the reporting period that includes the date of initial adoption in the opening accumulated surplus of the annual reporting period that includes the date of initial adoption.

At the date of initial adoption, the FIC used reasonable and supportable information available without undue cost or effort to determine the credit risk at the date a financial instrument was initially recognised and compared that to the credit risk at the date of initial adoption.

On transition, the FIC sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that was available without undue cost and effort. The FIC is not required to undertake an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition.

When determining whether there has been a significant increase in credit risk since initial recognition, the FIC:

- Assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date
- For contractual payments that are more than 30 days past due, the FIC applies the impairment requirements by identifying significant increases in credit risk since initial recognition for those financial instruments on the basis of past information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30.4. Impact on the financial statements

30.4.1. Reconciliation of measurement categories and carrying amounts – at the date of initial adoption

Impact on the financial position

Financial instruments measured at amortised cost	Notes	Carrying amounts 31 Mar 2025 R'000	Adjustment Carrying amounts 31 Mar 2025 R'000	Restated Carrying amount 31 Mar 2025 R'000	Adjustment Carrying amounts GRAP 104 1 Apr 2025 R'000	Carrying amounts GRAP 104 1 Apr 2025 R'000
Financial assets						
Cash and cash equivalents		86 872	-	86 872	-	86 872
Receivables from exchange transactions	30.4.1.1	316	67	383	-	383
Long-term receivables	30.4.1.1	-	824	824	-	824
		87 188	891	88 079	-	88 079
Financial liabilities						
Trade payables	30.4.1.2	19 749	(10 613)	9 136	-	9 136
Finance lease obligation		1 356	-	1 356	-	1 356
Third-party deposits	30.4.1.3	-	70	70	-	70
		21 105	(10 543)	10 562	-	10 562

No change in measurement arose on adoption. All financial assets and all financial liabilities in scope continued to be measured at amortised cost.

The following changes were made to the comparative carrying amounts in the classification of the financial instruments:

30.4.1.1. Payroll receivables of R67 314 and municipal deposits paid of R824 313, previously excluded, have now been included.

30.4.1.2. Accrued leave of R10 613 234, previously included, has now been excluded from the carrying amount of payables from exchange transactions.

30.4.1.3. Third-party deposits R70 000, previously omitted have now been included.

30.4.2. Reconciliation of impairment allowances to opening loss allowances – at the date of initial adoption

Impact on the financial performance

	Notes	Closing impairment allowance GRAP 104 (2009) R'000	Difference recognised in opening accumulated surplus/ (deficit) R'000	Opening loss allowance under revised GRAP 104 (2019) 1 Apr 2025 R'000
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Closing impairment allowance GRAP 104 (2009)	Difference recognised in opening accumulated surplus/ (deficit)	Opening loss allowance under revised GRAP 104 (2019) 1 Apr 2025
Receivables from exchange transactions	30.4.2.1	(522)	-	(522)

30.4.3. An impairment allowance of R521 847 existed under GRAP 104 (2009) for receivables from exchange transactions immediately before adoption, determined in accordance with the incurred-loss model. No impairment allowance existed under GRAP 104 (2009) for cash and cash equivalents or deposits immediately before adoption, as no objective evidence of impairment had been identified for any of these instruments.

No adjustments arise from changes in the measurement category as no reclassifications occurred on adoption.

31. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND OTHER DISCLOSURES

31.1. Classification of financial instruments

	Notes	2026 At amortised cost R'000	2025 At amortised cost R'000
Classification of financial assets			
Cash and cash equivalents	3	159 885	86 872
Receivables from exchange transactions	5	578	383
Long-term receivables	9	926	824
Total carrying amounts		161 389	88 079
Classification of financial liabilities			
Trade payables	10	8 387	9 136
Third-party deposits	11	80	70
Finance lease obligation	12	546	1 356
Total carrying amounts		9 013	10 562

31.2. Nature and extent of risks arising from financial instruments

Overview

The entity is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk (currency risk, interest rate risk and price risk)

This note presents information about the FIC's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The Accounting Authority and key management have overall responsibility for the establishment and oversight of the FIC's risk management framework. The FIC's risk management policies are established to identify and analyse the FIC's risks, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the FIC's activities.

31.2.1. Credit risk

Credit risk is the risk of a counterparty to a financial asset defaulting on its obligation to the FIC, thereby causing financial loss. The FIC's exposure to credit risk arises primarily from cash and cash equivalents held with Standard Bank of South Africa Limited and the Corporation for Public Deposits, as well as from receivables from exchange transactions and deposits.

The FIC manages credit risk on cash through its investment policy, which requires surplus funds to be invested with the Corporation for Public Deposits. Remaining operational balances are held with Standard Bank of South Africa Limited. Credit risk on receivables is managed through ongoing monitoring of outstanding balances and age analysis. Expected credit losses are measured using the general approach.

There have been no significant changes in the FIC's exposure to credit risk or in its objectives, policies and processes for managing credit risk during the reporting period.

The FIC considers the cash and cash equivalents balance to have low credit risk when the financial institution's external credit rating is equivalent to the globally recognised definition of 'investment grade'. The Corporation for Public Deposits is a National Treasury entity. Its risk profile is equivalent to sovereign risk, and it is accordingly assessed as having a low credit risk.

Deposits held with the landlord is assessed as having a moderate to low risk and meets the investment grade threshold.

Default

The FIC considers a financial asset to be in default when the debtor is unlikely to pay his obligation to the FIC in full, or when the financial asset is more than 90 days past due. The 90-day threshold is applied consistently across all financial assets as it aligns with the FIC's internal credit monitoring processes.

Grouping of instruments for collective expected credit loss measurement:

Cash and cash equivalents are assessed individually for expected credit loss purposes, with the Standard Bank balance and the Corporation for Public Deposits balance assessed separately, as each institution has distinct credit characteristics. Deposits are assessed individually given the differing credit risk profiles of the respective counterparties. Receivables from exchange transactions are assessed collectively using a provision matrix based on ageing for sundry receivables, as individual balances share similar credit risk characteristics.

Write-off policy

Refer to the accounting policy in note 1.7.7 for the FIC's write-off policy regarding the indicators used to conclude whether there are or are no reasonable expectations of recovery. No debt was written off during the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Quantitative information

The FIC did not identify any significant changes in the gross carrying amount of cash and cash equivalents, receivables and deposits.

Credit risk exposure

For purposes of determining the expected credit loss allowances, the FIC assesses the credit quality of each financial asset at the end of the reporting period. For cash and cash equivalents, credit quality is assessed using external credit ratings.

For deposits, credit quality is assessed using external credit ratings where available and management's internal assessment where not. For receivables, credit quality is assessed using a provision matrix based on ageing for sundry receivables, and individual staging for payroll, staff and accrued interest receivables.

The FIC holds no collateral and no other credit enhancements against any of the above financial assets. The 2025 comparative is presented under GRAP 104 (2009) with no expected credit loss recognised; the carrying amount equals the maximum exposure.

31.2.2. Liquidity risk

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The FIC's risk to liquidity is a result of the funds available to cover future commitments. The FIC manages liquidity risk through an ongoing review of future commitments and credit facilities. The FIC ensures that adequate funds are available to meet its expected and unexpected financial commitments.

The table below analyses the FIC's financial liabilities based on the remaining period at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year R'000	Between 1 to 2 years R'000	Between 2 to 5 years R'000	Over 5 years R'000
At 31 March 2026				
Current liabilities				
Trade and other payables	8 387	-	-	-
Finance leases	546	-	-	-
Third-party deposits	80	-	-	-
	9 013	-	-	-
At 31 March 2025				
Current liabilities				
Trade and other payables	9 136	-	-	-
Finance leases	1 356	-	-	-
Third-party deposits	70	-	-	-
	10 562	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

All financial liabilities of the FIC for the current year are current and due within one year. The maturity analysis shows the remaining contractual maturities.

31.2.3. Market risk

The FIC's activities expose it primarily to the risks of fluctuations in interest rates and foreign currency risk. Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

	Current interest rate R'000	Due in less than 1 year R'000	Due in 1 to 2 years R'000	Due in 2 to 3 years R'000	Due in 3 to 4 years R'000	Due in 4 to 5 years R'000
Finance leases	11.75%	546	-	-	-	-

The finance lease obligation bears interest at a fixed rate of 11.75 percent per annum. Because the rate is fixed, no cash flow interest rate risk arises from this liability.

- **Cash flow interest rate risk**

Cash at the bank earns interest at a rate linked to the prime interest rate. Management accepts the risk exposure on receivables due to the amounts being negligible.

- **Foreign exchange risk**

Management accepts the risk as a result of changes in rate of exchange and therefore has not hedged foreign currency risk. These transactions are not of a material nature.

32. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2026 R'000	2025 R'000
Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-
	-	-

NOTES TO THE ANNUAL **FINANCIAL STATEMENTS**

32.1. Irregular and fruitless and wasteful expenditure for the current financial year include:

- Amounts incurred and confirmed in that financial year and/or
- Payments made as it relates to multi-year contracts.

32.2. Irregular and fruitless and wasteful expenditure for the previous financial year include:

- Amounts confirmed in that financial year
- Amounts that were under assessment in that financial year and confirmed in the current financial year
- Amounts that were not identified and are identified and confirmed in the current financial year.

33.B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

34.SUBSEQUENT EVENTS

The FIC is not aware of any information or material event that occurred after the reporting date about conditions that existed at the reporting date, that may significantly affect the position of the FIC or the results of its operations, that require adjustments or disclosure in the annual financial statements.

