

WEBINAR

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An urgent call for attendance to all Legal Practitioners and all stakeholders in the Legal Profession to attend a critical Money Laundering and Terrorist Financing (ML/TF) risk webinar engagement

The Financial Intelligence Centre (FIC), in collaboration with the legal professional stakeholder bodies, requests the attendance of all legal practitioners registered with the FIC in terms of item 1 of schedule 1 to the FIC Act at an urgent and critical ML/TF risk webinar engagement.

The FIC has been mandated by the Minister of Finance, the Honourable Enoch Godongwana, to work closely with other government departments and agencies to ensure that all the weaknesses that were identified in the recent Mutual Evaluation report of South Africa are addressed fully and speedily. Of concern for the legal profession is the understanding of ML/TF risks and obligations facing their industry at large, and poor reporting to the FIC. This includes the identification of ML/TF risks, the implementation of mitigating controls and the associated reporting obligations that must fall part of the legal practitioner's risk management and compliance programme (RMCP).

This concern arises from the following Financial Action Task Force (FATF) comments: *"Overall, DNFBP's understanding of ML risks and AML/CFT obligations is underdeveloped, and mitigating measures are not risk-based, with casinos as a positive outlier. The high-risk estate agents and attorneys have a poor understanding of risks and obligations." "It is of concern that estate agents and attorneys have an underdeveloped understanding of risks and obligations given ML typologies in South Africa." "Where casinos are the best DNFBP reporters, estate agents, attorneys, and TSPs file a very low number of reports." "The larger banks file the best quality reports and the worst are filed by attorneys and estate agents."*

The FIC has recently assessed the ML/TF risks facing the legal profession's industry by issuing a Sector Risk Assessment (SRA) highlighting critical ML/TF risk indicators, available [here](#). The Minister of Justice, the Honourable Ronald Lamola, in his opening address delivered at the Law Society of South Africa's Conference, 23 March 2022 referred to the FATF report, and the FIC SRA and raised serious questions regarding the role of legal practitioners in adhering to the FATF standards and FIC Act, 2001, including the state of poor suspicious transaction reporting to the FIC.

The FIC strongly urges all invited legal practitioners to attend the session hosted by the FIC where the SRA and an effective implementation of an RMCP, including a robust risk assessment, will be discussed:

Thursday, 14 April 2022

14:30 to 17:00

Via Teams: [Click here to join the meeting](#)

The Financial Action Task Force (FATF), of which South Africa is a member, is the international standard setting body for anti-money-launderings and the combating of the financing of terrorism. Following a recent Mutual Evaluation Assessment of South Africa's money laundering and terrorist financing controls, assessors from the FATF and its partners, compiled a report on the state of the country's compliance with measures to combat money laundering and terrorist financing. This report is available on the website of the Financial Intelligence Centre (FIC) which is the Financial Intelligence Unit of South Africa, tasked with the implementation of money laundering and terrorist financing controls.