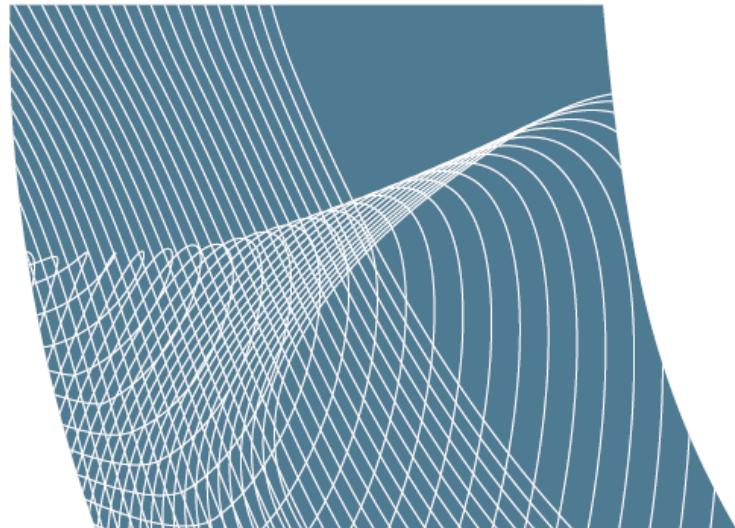
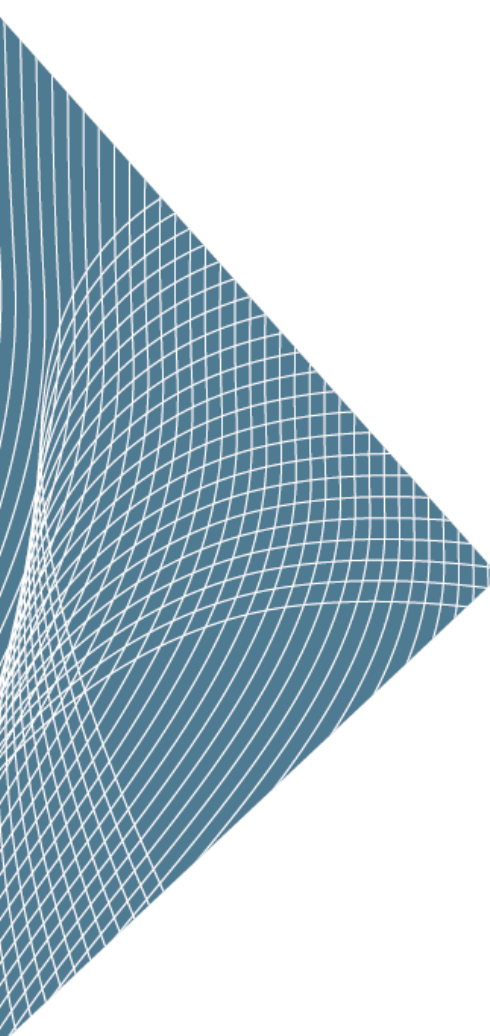

SAMLIT

The South African
Anti-Money Laundering
Integrated Taskforce



Financial
Intelligence Centre

THE SOUTH AFRICAN ANTI-MONEY LAUNDERING INTEGRATED TASKFORCE CHARTER 2019



Preamble

Whereas financial crime in South Africa is becoming progressively rampant and sophisticated, requiring a proportional and effective response from the public and private sectors to protect South Africa's financial system from abuse;

Whereas the Financial Intelligence Centre was established by the Financial Intelligence Centre Act 38 of 2001 as an organ of state exercising public power and performing a public function, with the principal objectives of assisting in the combatting of money laundering activities and the financing of terrorist and related activities and facilitating the administration and enforcement of the laws of the Republic;

Whereas the provisions of the Financial Sector Regulation Act 9 of 2017, require the Prudential Authority to promote and enhance the safety and soundness of financial institutions and market infrastructures, protect financial customers, assist in maintaining financial stability and to take steps to mitigate any risk to financial stability occasioned by financial crime;

Whereas banks operating in South Africa are accountable institutions as designated by the Financial Intelligence Centre Act 38 of 2001, and as responsible corporate citizens, desire to contribute to the effective and efficient combatting of financial crime through the enhanced sharing of information and collaboration;

Whereas National Treasury envisages the establishment of the Anti-Money Laundering Banks Policy Forum, consisting of National Treasury, the Financial Intelligence Centre, the Prudential Authority and Chief Executive Officers and the Risk and Compliance Heads of all banks, to discuss strategic issues relating to the South African banking sector;

And whereas section 4(aA), read with sections 5(h) and (i) of the Financial Intelligence Centre Act 38 of 2001, authorises the Financial Intelligence Centre to engage in any lawful activity, whether alone or together with any other organisation in the Republic or elsewhere, aimed at promoting its principal objectives;

Now therefore the Financial Intelligence Centre, the Prudential Authority and the banks operating in South Africa agree to enhance mutual co-operation as set out in this Charter with the purpose of preventing, detecting and disrupting financial crime.

1. DEFINITIONS

In this Charter, unless the context indicates or requires otherwise:

- “Association Bodies”** means a banking association body having a direct interest in the banking sector;
- “Banks”** means a registered bank, a local branch of a foreign bank and a mutual bank operating in South Africa and duly licensed in accordance with the Banks Act 94 of 1990 or the Mutual Banks Act 124 of 1993;
- “Centre”** means the Financial Intelligence Centre established in terms of the Financial Intelligence Centre Act 38 of 2001;
- “Charter”** means this document, which is the South African Anti-Money Laundering Integrated Taskforce Charter;
- “Director”** means the Director of the Financial Intelligence Centre;
- “EWG”** means an Expert Working Group as established by the Steering Committee;
- “FIC Act”** means the Financial Intelligence Centre Act 38 of 2001;
- “Financial Crime”** means any common law or statutory offence involving or related to property, the proceeds thereof and includes but not limited to:
- (a) an offence listed in Schedule 1 to the Criminal Procedure Act 51 of 1977,
 - (b) an offence in terms of a financial sector law as defined by the Financial Sector Regulation Act 9 of 2017,
 - (b) the offences of racketeering and money laundering in terms of sections 2, 4, 5 and 6 of the Prevention of Organised Crime Act 121 of 1998,
 - (c) an offence in terms of the Financial Intelligence Centre Act 38 of 2001,

or

(d) an offence associated or connected with terrorism or related activities in terms of the Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004;

“Member” means an institution that is a member of the South African Anti-Money Laundering Integrated Taskforce;

“PA” means the means the Prudential Authority, a juristic person within the administration of the South African Reserve Bank, established in terms of section 32 of the Financial Sector Regulation Act 9 of 2017 and a mandated entity as listed in section 40(1) of the Financial Intelligence Centre Act 38 of 2001;

“Parties” means the Financial Intelligence Centre, the Prudential Authority and the participating banks operating in South Africa;

“Property” means money or any other movable, immovable, corporeal or incorporeal thing and includes any rights, privileges, claims and securities and any interest therein and all proceeds thereof;

“SAMLIT” means the South African Anti-Money Laundering Integrated Taskforce;

“Steering Committee” means the Steering Committee responsible for the administration of the South African Anti-Money Laundering Integrated Taskforce and overseeing the implementation of its strategic objectives and operational priorities;

“TOG” means a Tactical Operations Group as established by the Financial Intelligence Centre.

1. PURPOSE

The purpose of this Charter is to create SAMLIT as a collaborative initiative between the Centre, the PA and the Banks, define its principal objectives and regulate its operations.

2. THE SOUTH AFRICAN ANTI-MONEY LAUNDERING INTEGRATED TASKFORCE

The Parties agree to establish SAMLIT, with the principal objectives of:

2.1 assisting in the effective and efficient combatting of financial crime;

and

2.2 enhancing the collective understanding of financial crime trends.

3. MEMBERSHIP OF SAMLIT

3.1 Membership of SAMLIT shall be open to the Centre, the PA, the Banks, Association Bodies and any other institution having a direct interest in the banking sector.

3.2 Membership of SAMLIT shall be conferred on an institution upon application and as approved by the Steering Committee and confirmed by listing the institution on SAMLIT's Membership List.

3.3 SAMLIT shall be constituted by each Member's nominated delegate.

3.4 Members and their nominated delegates shall:

3.4.1 Uphold and promote the principal objectives of SAMLIT;

3.4.2 Maintain their primary fiduciary duty of care towards their respective member institutions;

3.4.3 Actively contribute to all SAMLIT initiatives in an open, collaborative, objective and supportive manner, subject to 3.4.2;

- 3.4.4 Disclose all conflicts of interest in relation to any SAMLIT initiative;
 - 3.4.5 Respect and maintain the confidentiality and privacy of information obtained through participation in SAMLIT and not disclose or use such information for personal, unethical or illegal advantage, nor for political interests, nor to the disadvantage or to discredit any of the members;
 - 3.4.6 Make available appropriately skilled and experienced representatives who will consistently add value to the objectives and initiatives of SAMLIT;
 - 3.4.7 Notify the Steering Committee on becoming aware of any circumstances that will affect or impact the ability of SAMLIT to deliver on its principal objectives.
- 3.5 Failure to comply with any of the above conditions of membership may lead to the termination of membership or the barring of the offending delegate from SAMLIT by the Steering Committee.
- 3.6 A Member may terminate its membership of SAMLIT by providing written notification and reasons thereof to the Steering Committee, which will confirm such termination within thirty (30) calendar days of such notification, subject to any conditions the Steering Committee may deem necessary.
- 3.7 Members are bound by the confidentiality requirements in respect of any and all information obtained and/or shared through any SAMLIT initiative at all times, including after membership has been terminated.

4. THE STEERING COMMITTEE

- 4.1 The Steering Committee is hereby established, mandated to serve as the administrative body of SAMLIT and tasked with administering and overseeing all activities of SAMLIT, including:
- 4.1.1 facilitating all preparatory arrangements for SAMLIT quarterly forums;
- and

- 4.1.2 facilitating and approving all EWGs focused on developing international and local typologies, trends, risks and best practices in combatting financial crime.
- 4.2 Membership to the Steering Committee shall consist of the Centre, the PA and ten duly elected Member banks.
- 4.3 The Steering Committee shall be convened by the Centre, at a venue determined by the Centre, within one month of the date of the SAMLIT quarterly forums.
- 4.4 The Director or her nominated delegate shall chair all Steering Committee meetings.
- 4.5 The quorum for the Steering Committee shall be five Members, one of which must be the Centre.
- 4.6 All SAMLIT administrative matters before the Steering Committee shall be assented to by the Centre and by the majority vote of the Members present at each Steering Committee meeting.
- 4.7 The Centre may convene a special sitting of the Steering Committee to discuss any matter requiring urgent attention.

5. ENHANCED CO-OPERATION, COLLABORATION AND EXCHANGE OF INFORMATION

In achieving the principal objectives of SAMLIT, Members agree to enhance co-operation, collaboration and the exchange of information by:

- 5.1 providing specific and appropriate resources to a TOG to assist in the detection and disruption of financial crime in relation to selected financial crime investigations, as identified by the Centre;
- and
- 5.2 exchanging general and specific information at SAMLIT quarterly forums that will enhance the collective understanding of financial crime trends and/or risks.

6. TACTICAL OPERATIONS GROUP

- 6.1 All TOGs shall be convened by and located at the Centre, to address specific financial crime investigations as identified by the Centre that require enhanced co-operation, collaboration and the exchange of timely information to effectively and efficiently combat financial crime.
- 6.2 At the request of the Centre, the relevant Members shall appoint suitably qualified and experienced officials to constitute the TOG.
- 6.3 The TOG shall be mandated by the Centre, in relation to the specific financial crime investigation and the nature and ambit of the mutual co-operation, collaboration, assistance and exchange of information that is required from each relevant Member.
- 6.4 Only officials from the Centre and from each relevant Member shall attend the TOG, have access to confidential information shared therein and participate in the activities of the TOG.
- 6.5 Progress reports on any TOG operation will only be disclosed to the Steering Committee and at SAMLIT quarterly forums, at the discretion of and to the extent deemed appropriate by the Centre.

7. SAMLIT QUARTERLY FORUMS

- 7.1 In achieving the principal objectives of SAMLIT and subject to any statutory, contractual or common law prohibition against the disclosure of confidential information, Members agree to exchange general and/or sanitised information at SAMLIT's quarterly forums in relation to:
 - 7.1.1 International and local typologies, trends, risks and best practices relating to the identification and combatting of financial crime;
 - 7.1.2 International and local typologies, trends, risks and best practices relating to regulatory reporting;
 - 7.1.3 The latest technological solutions including artificial intelligence and know-your-customer utilities, relating to the identification and combatting of financial crime;
 - 7.1.4 Selected sanitised financial crime cases;

7.1.5 Any other matter of relevance to SAMLIT's objectives.

7.2 The Director or her nominated delegate shall chair all SAMLIT quarterly forums.

7.3 All Members may attend and participate in SAMLIT's quarterly forums.

8. EXPERT WORKING GROUPS

8.1 EWGs may be established to focus on specific financial crime trends and/or threats, the impact these have on the South African banking sector and develop typologies and solutions to address these threats and/or trends.

8.2 The Steering Committee shall consider proposals by Members and approve the establishment of any EWG that is relevant, appropriate and advances the objectives of SAMLIT.

8.3 Once approved by the Steering Committee, participation in an EWG shall be open to all Members.

8.4 The EWG shall be led by the initial Member proposer, who will be responsible for coordinating all typologies and solutions developed by the EWG and presenting same at SAMLIT's quarterly forums, unless directed otherwise by the Steering Committee.

9. DISPUTE RESOLUTION

9.1 Members undertake to resolve any disputes arising from this Charter or any SAMLIT initiative, through the Steering Committee and in a co-operative manner and with utmost good faith.

9.2 If the Steering Committee is unable to resolve the dispute, an affected Member can approach the Director-General of National Treasury for (non-binding) mediation.

10. COSTS RELATED TO PARTICIPATING IN SAMLIT

Members will meet their own costs relating to participating in any SAMLIT initiative or activity.

11. CONFIDENTIAL INFORMATION

11.1 All Members shall:

- 11.1.1 maintain confidentiality of the information shared and take all reasonable measures to provide adequate protection against unauthorised disclosure, copying or use, including upon termination of membership;
- 11.1.2 ensure that disclosure of information is restricted to those employees and officials duly mandated by the Members to receive such information;
- 11.1.3 immediately inform the Steering Committee upon becoming aware of information having been disclosed to or in possession of any person not mandated to hold such information;
- 11.1.4 comply with applicable data protection legislation and all other applicable laws and regulations relating to the processing of personal data or privacy or any amendments and re-enactments thereof, and shall ensure that its employees and officials shall observe the same provisions.

11.2 Members shall not share any confidential information:

- 11.2.1 which they are prohibited from sharing in law, including in terms of statute or regulation, or in respect of which they have a duty of confidentiality to any third party under the common law, contract or otherwise;
- 11.2.2 which in their respective sole discretion would compromise their powers, rights or obligations under the FIC Act;
- or
- 11.2.3 which each of them in its sole discretion deems inappropriate given their statutory status and their relationship in terms of the FIC Act.

- 11.3 Any confidential information which the Centre would be entitled to request from a Member in terms of the FIC Act shall be requested in terms and subject to the provisions thereof and shall not be requested or exchanged in terms of this Charter.
- 11.4 Nothing contained in this Charter shall entitle any Member to information held by another Member, it being agreed and recorded that the sharing of information and knowledge shall be in the sole and absolute discretion of the Member disclosing such information.
- 11.5 The rights and obligations of Members from the banking sector as accountable institutions in terms of the FIC Act and the Centre and/or the PA's powers in respect of such rights and obligations, shall be independent of anything contained in this Charter, the contents of which shall not be relevant in any procedure, action, notification or communication in relation to the Centre and/or the PA's powers and the rights and obligations of the Members from the banking sector in terms of the FIC Act.
- 11.6 Unless inconsistent with the context, an expression which denotes:
- 11.6.1 any gender includes the other gender;
 - 11.6.2 a natural person includes an artificial person and vice versa;
 - 11.6.3 the singular includes the plural and vice versa.

12. CHARTER COMMENCEMENT, DURATION AND AMENDMENTS

- 12.1 This Charter shall commence on the last date of signature by the Centre, the PA and five banks and will remain in force for an indefinite period unless dissolved by the Steering Committee.
- 12.2 This Charter constitutes the whole of the agreement between the Members and save as otherwise provided herein, no amendment, alteration, addition or variation will be of any force or effect unless reduced to writing and assented to by the Steering Committee.

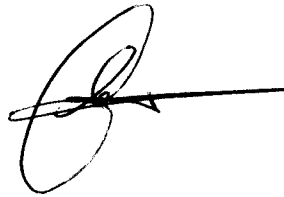
Signed at Johannesburg on this the 6 day of October 2019.

Name of Institution : The Banking Association SA

Authorised Official : Cas Coovadia

Designation : Managing Director

Signature :

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.