South Africa's FATF Exit: Dispelling the Compliance Misconception

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South Africa's FATF Greylisting

As South Africans, we need no introduction to South Africa's greylisting or the legislative changes surrounding it, including the General Laws Amendment Act 22 of 2022 ("GLAA")[1].

The Recap

The Financial Action Task Force ("FATF") made the decision on 24 February 2023 at its Plenary meeting in Paris, France[2].

FATF evaluated South Africa against international standards and identified deficiencies in its anti-money-laundering framework and implementation. South Africa already had legislation, but some of the existing measures were not effective in practice.

From greylisting to delisting: what changed?

If you worked for an accountable institution and provided company secretarial or trust administration services during the period from greylisting to delisting, you will remember how demanding the process was. South Africa really came together on this. The deadlines were demanding but, in the end, helped us reach our goal. The statistics reported by the Master of the High Court showed a decline in outstanding beneficial ownership reporting. We soon realised this was serious and the requirements were not going away soon. Financial Sector Conduct Authority, "FSCA imposes R10.6 million administrative

[1] General Laws Amendment Act ("GLAA")
[2] The Official FATF Announcement

penalty on Sanlam Collective Investments (RF) (Pty) Ltd (CIS 34)", press release, 13 October 2025[3].

The Context of the 22-Item Action Plan

When the FATF greylisted South Africa in February 2023 due to strategic compliance deficiencies, it mandated a 22-point remedial action plan covering 8 core anti-money laundering and combating the financing of terrorism (AML/CFT) gaps.

By October 2024, South Africa had largely or fully addressed 16 of the 22 action items in its FATF action plan. By June 2025, FATF had determined that South Africa had substantially completed its action plan, subject to an on-site assessment. South Africa was delisted in October 2025.

Delisted, Not Exempt: Why Compliance Obligations Remain

This brings me to the heart of my article. South Africa's removal from the FATF greylist has created a potential misconception that certain anti-money-laundering and counter-terrorist-financing obligations are no longer necessary. This is incorrect.

Even where a client is not an accountable institution, their service provider may be. That provider's duties under the Financial Intelligence Centre Act ("FICA"), including obtaining and verifying relevant client information and conducting ongoing due diligence, do not fall away because South Africa has been delisted.

It is important for South Africa to understand that the delisting did not repeal the relevant laws and compliance obligations.

FATF's decision concerns South Africa as a jurisdiction. It does not repeal FICA, remove a business from Schedule 1, cancel

[3] The FSCA R10.6million wake-up call

Financial Intelligence Centre ("FIC") registration or waive an institution's existing compliance obligations.

Section 42 of FICA requires accountable institutions to develop, document, maintain and implement a Risk Management and Compliance Programme (RMCP). The FIC's reference guide explains that the programme must be tailored to the institution and reflect a risk-based approach.

Other statutory requirements imposed on companies and Trusts in South Africa

Examples of other continuing obligations for companies and trusts include:

1. Annual Return Filing, which has been mandatory for over a decade, not just because of the greylisting.
2. The Beneficial Ownership Declarations[4] requirement was introduced after the Companies Act, 2008 was revised by the GLAA.
3. Maintaining and submitting the applicable securities register or beneficial interest register to the CIPC and filing annual financial statements or a Financial Accountability Supplement, as applicable. Where required, financial statements must be submitted in iXBRL format.
4. Trustees must meet the applicable beneficial ownership filing requirements of the Master of the High Court and keep the information updated, subject to the published exemptions and declaration procedures.
5. Trusts subject to the reporting requirement also need to file the IT3(t) with SARS annually[5], with the first deadline being 30 September 2024.

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[4] Companies and Intellectual Property Commission (CIPC) "Beneficial Ownership"

[5] South African Revenue Service, "Third-Party Submission Data at a Glance"

Conclusion

This article is not a comprehensive compliance guide. Its purpose is to address the misconception that South Africa's removal from the FATF greylist ended the relevant legal obligations.

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