

Llewellyn Prince, Media 24 Parliamentary Bureau 2017-03-16 06:10

Nearly R60 billion left South Africa illicitly in the 2015-2016 financial year, and it appears that the country has no strategy to curb the problem.

Murray Michell, director of the Financial Intelligence Centre, told a sitting of Parliament that about 9 million suspected transactions were reported to the centre in this financial year.

According to Michell, about “2490 products to the value of nearly R58.94 billion” were spread throughout the financial year, and could represent the illicit outflow of money from the country.

The thing that got MPs hot and bothered was the fact that neither the police or the Hawks could confirm whether they were investigating the transactions regarding the illicit outflow of money that the FIC or any other government institutions had referred to them.

“This is unacceptable,” an ANC MP said to the police representative.

MPs recommended that the police and the Hawks should appear before Parliament within two weeks to inform them what cases they were investigating related to the illicit outflow of money or whether there was a comprehensive strategy to curb the outflow.

Deputy director-general of the National Treasury, Ismail Momoniat, expressed the treasury’s concern over the fragmented strategies in the battle against the illicit outflow of money, and also wondered whether the law enforcement officers had the ability to stop the outflow or to investigate it.

“Take for example the recent R24 million robbery at OR Tambo Airport. Do the authorities know why the cash was being transported? Are the police in contact with authorities such as the

South African Revenue Service or the customs authorities in such investigations?”

He said it was also important that the FIC amendment bill be ratified as soon as possible.

President Jacob Zuma referred the Fica bill back to Parliament amid concerns about the constitutionality of certain provisions in the bill. The bill has subsequently been slightly amended and resubmitted to Zuma for his approval.

Willie Hofmeyr, head of the legal affairs division at the National Prosecuting Authority, told Parliament that the NPA knew, for example, of an incident where a syndicate smuggled about R2 billion out of the country in a short time.

“We have over the past two years also seized R200 million in cash – it was unheard of.”

Hofmeyr said there were many weaknesses in the system that urgently needed attention.

He said it was important that all the departments that are part of the criminal justice system, should develop a combined capacity to comprehensively combat the illegal outflow of money.

According to him, law enforcement officers’ training needed to be reviewed and improved when it came to seizing cash or doing financial investigations.

» The Financial Intelligence Centre was also the source of the information about the 72 allegedly suspect transactions of about R6.8 billion in which the controversial Gupta family was allegedly involved in, and that were contained in Finance Minister Pravin Gordhan’s court documents against the family’s companies.

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