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The South African Institute for Advancement



Communiqué 16

Update on the General Laws (Anti Money Laundering and Combating Terrorism Financing) Amendment Bill submission, the Presidential Social Sector Summit and the Terrorist Financing Risk assessment

1 November 2022

General Laws Amendment Bill

The NPO Working Group would like to thank all NPO's who made individual submissions, made comments on the joint submission, supported our submission and shared the information widely within their networks.

The Bill proposed to amend five Acts: the Financial Intelligence Centre Act, Trust Property Control Act, Companies Act, Nonprofit Organisations Act, and Financial Sector Regulation Act with the main aims of:

- **exposing the 'beneficial owners'** (people ultimately in control of) all companies and organisations;
- making it compulsory for all companies and organisations 'operating' in South Africa to be registered with a regulatory authority. In the case of non-profits, it **makes NPO**

registration compulsory, including for foreign nonprofits ‘operating’ in South Africa;

- adding a range of fraud-related offences to the lists of things which will make it impossible to hold a fiduciary office in a company or organisation, and requiring CIPC, the Master of the High Court and the NPO Directorate to keep a list of those who are ineligible for office, and order their removal.

Our responses as a sector received several media mentions, links to these can be seen [here](#).

The process was a complicated one with the Working Group providing three submissions in total, during the month of October. The first deadline for submissions was the 10th of October and then a call for further and supplementary public submissions and comments was made and the period was extended from the 10th of October to the 25th of October. The Working Group was then invited to share final thoughts by the 31st of October before the committee would meet again on the 1st of November.

1. Our first joint submission was submitted on the 10th of October and can be found [here](#).
2. Our second joint submission and covering letter was submitted on the 21st of October and can be found [here](#).
3. Our final letter to the Standing Committee on Finance after receiving feedback from treasury, dated 31 October 2022, can be found [here](#).

Added to these three submissions a presentation was made by working group member, Nicole Copley, at a public hearing to the standing committee. A full video of proceedings can be found [here](#) and Nicole’s presentation can be viewed [here](#). The working group was then invited to a meeting hosted by Treasury in response to the submissions received. Please find a table summarising ALL submissions received by the Standing Committee on Finance [here](#), and their presentation of their comments to the submissions received, [here](#).

Presidential Social Sector Summit

The Presidential Social Sector Summit took place on the 4th & 5th of August 2022. The theme for the Summit was: **“Fostering Social Cohesion to enable socio-economic participation in communities.”** Glenn Farred, a working group member and civil society researcher and policy advisor, attended the summit and has provided us a summary of the proceedings of the two days which you may find [here](#).

NPO Terrorist Financing Sectoral Risk Assessment

Following the submission of the NPO Working Group on the General Laws (Anti Money Laundering and Combating Terrorism Financing) Amendment Bill we were invited to a Terrorist Financing Risk Assessment Workshop facilitated by Ben Evans from the Green Acres Group who will be providing technical assistance to the Financial Intelligence Centre. Ann Bown prepared a summary of this workshop that can be found [here](#). The risk assessment process is

necessary to avoid grey-listing and should be able to determine the subset of non-profit organisations within South Africa that are at risk of either directly or indirectly, wittingly or unwittingly, knowing or unknowingly being exploited as a funnel or channel for receiving terrorist financing. A typical timeline for this risk assessment process was provided by the Green Acres Group and can be found [here](#).

For further information regarding the work of the NPO Working Group:

- Please see past communiques regarding the NPO Working Groups activities [here](#).
- Also see, the NPO Working Group fact sheet, detailing the activities of the working group since its inception in October 2021 [here](#).

Please note: an online meeting for the Civil Society Sector will be held on the 16th of November 2022, 11:00 – 13:00. Further information and Zoom link will be sent shortly.

Kind regards

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Acting - Executive Director



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