



NPO WORKING GROUP

Collaborating to create a vibrant civil society

Communiqué 20

GILAB 2023, DSD'S "DEAR NPO, COMPLY OR BE DEREGISTERED" CAMPAIGN, THE NEXT PRESIDENTIAL SOCIAL SECTOR SUMMIT, THE NPO POLICY FRAMEWORK & THE FATF SECTORAL RISK ASSESSMENT SURVEY

14 August 2023

This communiqué aims to provide an update and details on the following topics;

1. General Intelligence Laws Amendment Bill (GILAB 2023)
2. DSD's "Dear NPO, Comply or be De-registered" Campaign
3. The Next Presidential Social Sector Summit
4. The NPO Policy Framework
5. The FATF Sectoral Risk Assessment Survey

Between April 2019 and June 2021, South Africa underwent a peer review, conducted by the Financial Action Task Force (FATF), a global money laundering and terrorist financing watchdog that sets international standards that aim to prevent these illegal activities. The final Mutual Evaluation report was completed and released in October 2021. Subsequently, the South African government and its authorities have been actively addressing the identified deficiencies. This effort is evident through the passage of various amendment bills, renewed attention to deregister non-compliant NPOs (Non-Profit Organizations), and the finalisation of the NPO Policy Framework.

Due to the misapplication of the FATF recommendations, these actions have sometimes led to the closure of civic spaces. In light of this, you are encouraged to remain up-to-date on these developments, and how it impacts of the sector.

- **General Intelligence Laws Amendment Bill (GILAB 2023)**

General Intelligence Laws Amendment Bill (GILAB 2023) was approved by cabinet in May this year. It has not yet been tabled in Parliament but once tabled, the National Assembly will create an ad hoc committee to consider the Bill and issue a call for public comments. GILAB will allow the Minister to conduct security competence tests on persons who seek to establish and operate non-profit organisations and will then issue or decline a security clearance certificate. While acknowledging the need for reform in South Africa's state intelligence structures, GILAB raises

concerns about freedom of association, mass surveillance capabilities, inadequate oversight, and accountability of intelligence services, and is criticized for its poor drafting, including typos and errors.

Intelwatch and *Campaign for Free Expression* are convening a webinar on the 17th of August at 10:00. Please see the invite [here](#) and info sheet [here](#). Please RSVP directly to gilabsa2023@gmail.com by the 14th of August, if you would like to attend.

- **DSD’s “Dear NPO” Comply or be Deregistered Campaign**

The NPO directorate will commence a phased approach to de-registration of non-compliant NPO’s from the 1st of September 2023. Organisations registered between 1998 – 2012, that are non-compliant and have not been in contact or submitted any reports to the Directorate, will be the first organisations to be de-registered. Once de-registered, NPO’s will forfeit all the rights, benefits and allowances it currently enjoys. Organisations will have 30 days from the time they receive a compliance notice to submit their annual reports, or request an extension to submit their reports, appeal against their de-registration or voluntarily de-register the organisation. Please see the campaign flyer [here](#) for more information.

In 2012 a similar process was halted in the wake of public outcry. From October 2012 until January 2013 more than 23,000 organisations were de-registered by the Directorate and more than 35,000 organisations were marked as “non-compliant”. This large-scale deregistration took place without the appointment of a fully functional Arbitration Panel which effectively eliminated the right of de-registered organisations to dispute their de-registration. Later that year, all de-registered organisations were re-registered and no de-registration of NPO’s has occurred since.

- **The Next Presidential Social Sector Summit**

A meeting chaired by the Deputy Director General, Peter Netshipale, was held on the 18th of July 2023 regarding the Presidential Social Sector Summit. The purpose of the meeting was to brainstorm with the sector regarding the next summit, which is due to take place in the fourth quarter, this year.

Some concerns were raised regarding the participation of the sector in the development of the framework agreement. Organisations felt that they were invited to the summit to rubber stamp a framework agreement that had already been developed and not enough time was provided for sufficient comment on the document. These concerns were raised in [Communiqué 16](#) by Glenn Farred, a NPO Working Group member, who attended the Summit held on the 4th and 5th of August 2022. See his detailed summary of events [here](#).

The Framework Agreement ([click here to view](#)), amongst other things; outlines the principles of the partnership between the State and Civil Society; speaks to the regulatory framework and the potential of self-regulation; proposes that a central funding mechanism be set up for non-profit

organisations; the establishment of the Apex Alliance, a central body made up of various non-profit entities that will become the point of contact between government and the nonprofit sector; and the capacity building role of the National Development Agency.

The NPO Working Group has been requested to assist with the formation of a task team made up of representatives from the non-profit sector to assist with the planning of the upcoming Social Sector Summit and the further development of the Framework Agreement. To nominate individuals please email, Suzanne Solomons at suzanne@inyathelo.org.za.

- **The NPO Policy Framework**

A technical task team of representatives from the NPO Sector is being formed from various national bodies and networks, to assist with the draft NPO Policy Framework to be completed by March 2024. The third draft was shared for public comment on the 31 July 2012. In 2014, Inyathelo published a research report to extract a list of key proposals from the policy framework document; consider the evidence in support of these proposals; give a consolidated overview of the current legal framework; review regulatory frameworks in other jurisdictions and make recommendations on addressing the legal, policy and implementation gaps. To download a copy of the Inyathelo Research Report: “*A New NPO Act for South Africa: The Implications of the Proposed New Policy Framework for South African Civil Society*”, click [here](#).

- **The FATF Sectoral Risk Assessment Survey**

One of the deficiencies identified by FATF in their 2021 Mutual Evaluation Report, is that a risk assessment of the non-profit sector had not been completed. This sectoral risk assessment will help to identify the risk of NPOs being mis-used for terror financing and money laundering. A consultant has been appointed to survey a randomly selected sample of NPOs. Focus groups consisting of unregistered NPOs will also be conducted to ensure broader representation of the NPO sector in this process. The data gathered from this assessment will assist government in developing a risk-based approach to the supervision and monitoring of the NPO sector. The report of the findings will be published by September this year.

For further reading please see:

- The [NPOWG Fact Sheet](#) that includes the update timeline of activities of the NPO Working Group.
- The [NPOWG website](#) for previous Communiqués that have links enclosed to key documents.
- [General Intelligence Laws Amendment Bill 2023](#) (GILAB 2023)
- [DSD’s “Dear NPO” Comply or be Deregistered Campaign flyer](#)
- [Framework Agreement](#) of the Presidential Social Sector Summit 2022
- Draft 3 of the [NPO Policy Framework](#)

- Inyathelo Research Report: [A New NPO Act for South Africa: The Implications of the Proposed New Policy Framework for South African Civil Society.](#)

Kind regards

Feryal Domingo

Chairperson of the NPO Working Group & Acting Director of Inyathelo



Facebook



Twitter



Pinterest



YouTube



News and Events



www.inyathelo.org.za | info@inyathelo.org.za | 021-465-6981

2nd Floor, The Armoury, Buchanan Square, 160 Sir Lowry Road, Woodstock, Cape Town, 7925, South Africa. [Download Map](#)

Inyathelo subscribes to **The Independent Code of Governance for Non-Profits in South Africa.**

[Unsubscribe](#) [Forward](#) [Subscribe](#)