



SOUTH AFRICAN RESERVE BANK
Prudential Authority

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Prudential Authority imposes administrative sanctions on The Standard Bank of South Africa Limited

The Prudential Authority (PA) is mandated to supervise and enforce compliance by accountable institutions with the provisions of the Financial Intelligence Centre Act 38 of 2001 (FIC Act) or any order, determination or directive made in terms thereof.

The PA has imposed administrative sanctions on The Standard Bank of South Africa Limited (SBSA) as a result of its non-compliance with certain provisions of the FIC Act, following an inspection conducted on SBSA in terms of section 45B of the FIC Act in 2022.

The administrative sanctions imposed on SBSA are due to its failure to comply with certain provisions of the FIC Act and consist of six cautions not to repeat the conduct which led to the non-compliance and a financial penalty totalling R13 million.

The administrative sanctions imposed on SBSA stem from the following non-compliance:

- a. SBSA failed to comply with section 21C of the FIC Act in that it failed to conduct ongoing due diligence in respect of two of its clients, with no due diligence reviews undertaken in 2018 and 2019.

The PA imposed a caution not to repeat the conduct which led to the non-compliance.

- b. SBSA failed to comply with section 23(c) of the FIC Act in that it failed to keep a record of the dates on which 43 suspicious and unusual transaction reports (STRs) or suspicious and unusual activity reports (SARs) were submitted to the Financial Intelligence Centre (FIC).

The PA imposed a caution not to repeat the conduct which led to the non-compliance.

- c. SBSA failed to comply with section 28 of the FIC Act in that it failed to timeously report 1 466 cash transaction reports and/or cash transaction aggregation reports to the FIC.

The PA imposed a caution not to repeat the conduct which led to the non-compliance.

- d. SBSA failed to comply with section 29 of the FIC Act in that it failed to timeously report 17 259 STRs and/or SARs to the FIC.

The PA imposed a caution not to repeat the conduct which led to the non-compliance and a financial penalty of R4 million.

- e. SBSA failed to comply with section 29 of the FIC Act in that it failed to report one STR to the FIC.

The PA imposed a caution not to repeat the conduct which led to the non-compliance and a financial penalty of R1 million.

- f. SBSA failed to comply with FIC Act Directive 5 of 2019 in that:

- i. 75 729 automated transaction monitoring system alerts were not timeously attended to within 48 hours; and

- ii. 94 558 STR/SAR alerts were closed beyond the 15-day reporting period as per regulation 24(3) of the Regulations to the FIC Act.

The PA imposed a caution not to repeat the conduct which led to the non-compliance and a financial penalty of R8 million.

The PA confirms that SBSA cooperated with the PA and has undertaken the necessary remedial action to address the identified compliance deficiencies and control weaknesses.

Issued by SARB Media Relations
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