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), and with 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 2023 in terms of section 45B of the FIC Act.

The administrative sanctions imposed on SBSA comprise three cautions not to repeat the conduct that led to the non-compliance, three reprimands and a financial penalty totalling R17 million, of which R5 million is conditionally suspended for a period of 36 months as from 19 May 2026.

These administrative sanctions stem from the following non-compliance by SBSA:

a. SBSA failed to comply with sections 21(1) and 21A, read with section 42 and its Risk Management and Compliance Programme, in that it failed to adequately conduct customer due diligence on 34% of the sampled money or value transfer services (MVTS) client files.

   The PA imposed a caution not to repeat the conduct that led to the non-compliance, a reprimand and a financial penalty of R7 million, of which R2 million is conditionally suspended for a period of 36 months.

b. SBSA failed to comply with sections 22 to 24 of the FIC Act, in that it failed to keep record of the proof of address and/or work permits of 52% of the sampled MVTS client files.

   The PA imposed a caution not to repeat the conduct that led to the non-compliance, a reprimand and a financial penalty of R5 million, of which R1 million is conditionally suspended for a period of 36 months.

c. SBSA failed to comply with section 43 of the FIC Act, in that:

   - 52% of the sampled MVTS employees appointed in 2021 did not receive anti-money laundering and counter-financing of terrorism (AML/CFT) refresher training in 2022 and 2023; and

   - 37% of the sampled MVTS employees appointed in 2023 did not receive AML/CFT induction training.

The PA imposed a caution not to repeat the conduct that led to the non-compliance, a reprimand and a financial penalty of R5 million, of which R2 million is conditionally suspended for a period of 36 months.

SBSA has cooperated with the PA to undertake the remedial action required to address the identified compliance deficiencies and control weaknesses.

Issued by SARB Media Relations
media@resbank.co.za