

GENERAL LAWS (ANTI-MONEY LAUNDERING AND COMBATING TERRORISM FINANCING) AMENDMENT BILL, 2026

PRESENTED BY:

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national treasury

Department:
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General Laws Amendment Bill, 2026

- The General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, 2026, addresses the outstanding deficiencies that were identified during the Financial Action Task Force (FATF) enhanced follow up process as well as the grey listing process of the FATF.
- The Bill amends the following laws:
 - Close Corporation Act, 1984
 - Nonprofit Organisations Act, 1997
 - Financial Intelligence Centre Act, 2001 (FIC Act)
 - Financial Sector Regulation Act, 2017
 - Companies Act, 2008

Proposed amendment to the Close Corporation Act (Clause 1)

Proposed amendment to the Close Corporation Act is a consequential amendment following amendments to the Companies Act requiring companies to report to the **Companies and Intellectual Property Commission (CIPC)** discrepancies between beneficial ownership information obtained during the customer due diligence process in terms of the FIC Act and information contained in the beneficial ownership register held by CIPC.

Proposed amendments to the Nonprofit Organisations Act (clause 2 to clause 5)

Proposed amendments to the Nonprofit Organisation Act, 1997 include:

- Extending the functions of the NPO Directorate to include monitoring and enforcement of compliance with the NPO Act. **(clause 2)**
- Provide for the director to impose administrative sanctions for contraventions of the Act as well as specifying the instances when the director may impose administrative sanctions. **(clause 3)**
- Allowing the Arbitration Tribunal to hear appeals on administrative sanctions imposed by the director. **(clause 4)**
- Amending the offences section to provide for a maximum penalty of R1 million or maximum imprisonment of five years for offences committed. **(clause 5)**

Proposed amendments to the FIC Act (clause 6 to clause 26)

To enhance the functioning of the FIC the following amendments are proposed:

- Section 1 is expanded to include definitions necessitated by the proposed amendments to the Act – includes Public Procurement Office, Border Management Authority, lifestyle audit (**clause 6**)
- **Clauses 7 and 8** extend the list of entities that the FIC can share information to the Public Procurement Office and Border Management Authority
- Conducting lifestyle audits (**clause 7**):
 - While performing its function
 - Of persons listed in Schedule 3A
 - Of any category of persons prescribed by the Minister at the request of an organ of state, public entity or municipality if the FIC believes it has an interest
- **Clause 9** extends the request by the FIC for information not only held by any organ of state but also to a public entity and any municipality. It also applies to a request to access to any database
- The amendment extends to having regular access to information in a register that is kept by an organ of state, public entity and any municipality

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- Proposed amendments to section 23 relating to the period that records need to be kept by accountable institutions is increased from five to seven years. (**clause 10**)
- Proposed amendment to section 26A deals with the implementation of resolutions adopted by the United Nations Security Council (UNSC) to expand the requirement for the Director of the FIC to give notice of a person or entity in respect of which a High Court has made an order in terms of section 23 of the POCDATARA Act. (**clause 11**)
- Proposed amendment to section 26C provides for the Minister to permit a person to conduct financial services or deal with property under certain circumstances, to also include providing for extraordinary expenses. (**clause 12**)

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- Also permits the accrual of interest or other earnings due on accounts holding property affected by a prohibition under section 26B, that arose before the date on which the person or entity was identified by the UNSC
- Proposed amendments to section 28A extend the scrutinising of clients and reporting obligations contained in the section to persons or entities named in the section 23 court order. (**clause 15**)
- Reporting requirement extends to an attempt to conduct a transaction or making enquiries at conducting a transaction of a person or entity identified in a notice given by the FIC Director or property owned or controlled by or on behalf of, or at the direction of the person or entity.

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- **Clause 13** expands section 27 to provide for the FIC to request an accountable institution to advise:
 - Whether a person is or has been a client of the institution
 - Whether a person is or has been acting on behalf of a client of the institution
 - Whether a client of the institution is or has acted on behalf of a specified person
 - On the type and status of a business relationship that is associated with the client or person
 - On the date the business relationship commenced or was terminated
 - Whether an account number is associated with a client of the institution
 - On the type and status of the business relationship associated with that account number
 - On the date the business relationship commenced or terminated
- Section 27A is expanded to allow the FIC access to accountable institutions records on a warrant, for purposes of producing forensic evidence or to conduct lifestyle audits (**clause 14**)

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- **Clause 16** proposes an amendment to section 30 of the FIC Act to specify the requirement for the person authorised by the Minister to receive the report relating to the conveyance of cash to or from the Republic to send a copy of the report to the Centre within a prescribed period.
- Section 35, applications by the Centre in respect of monitoring orders will be heard by a magistrate or judge in the jurisdiction where the accountable institution conducts business (**clause 17**).
- Section 38, which deals with the protection of persons complying with the FIC Act, will be amended to provide that no action will be taken against an institution, including its directors or employees, acting in good faith to:
 - Make a regulatory report
 - Share information with another institution to contribute to a regulatory report (**clause 18**).

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- Section 40 is amended to:
 - Include information the FIC obtains through conducting lifestyle audits while it performs its analysis functions
 - Extend the sharing of information to the Border Management Authority and Public Procurement Office
 - Include the sharing of information relating to lifestyle audits with an organ of state, public entity or municipality at their request only if the FIC believes that the information is relevant to the function of the entity. (**clause 19**)
- Section 41A, which deals with the protection of personal information when information is shared between accountable institutions, is expanded to include all regulatory reports as well as information obtained through sections 27 and 32 requests. (**clause 20**)

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- Proposed amendment to section 42 requires accountable institutions to take into account the risk that new delivery mechanisms and the use of new or developing technologies, may involve or facilitate money laundering activities, the financing of terrorist and related activities or proliferation financing activities. **(clause 21)**
- When taking into consideration the level of risk of the host country, the accountable institution will apply appropriate additional measures to manage the risks if the host country does not permit the implementation of measures required, and will inform the FIC and the supervisory body concerned of the additional measures applied.
- Proposed amendment to section 46 provides that an accountable institution that performs any act to give effect to a business relationship or single transaction in contravention of section 20A is non-compliant and is subject to administrative sanctions. **(clause 22)**

Proposed amendments to the FIC Act (clause 6 to clause 26)(continued)

- **Clause 23** proposes an amendment to section 51A of the FIC Act which deals with the offence or act of non-compliance relating to the reporting obligations in section 28A.
- **Clause 24** proposes an amendment to section 59 of the FIC Act which deals with the offence or act of non-compliance relating to an order by a judge to include an order made by a magistrate.
- **Clause 25** proposes to amend Schedule 3A to the FIC Act to effect certain consequential amendments because of the certain definitions being inserted.
- **Clause 26** proposes to amend the arrangement of sections in the FIC Act.

Proposed amendments to the Companies Act (clause 27 to clause 34)

Proposed amendments to the Companies Act, 2008 include:

- **Clause 27** proposes an amendment to section 1 by inserting and amending certain definitions relating to discrepancy reporting, including a definition of ‘material’ and ‘obliged entity’.
- Requires obliged entities to report to the Commission any material discrepancy in the information it holds in respect of beneficial owners **.(clause 28)**
- The CIPC is empowered to deregister a company that fails to submit a securities register or beneficial owner register for two years or more in succession **.(clause 29)**
- CIPC may impose administrative sanctions for non-compliance with requirements relating to securities register and beneficial owner information. **(clause 30)**

Proposed amendments to the Companies Act (clause 27 to clause 34)

- **Clause 31** proposes to amend section 175 to provide for the circumstances the CIPC may impose administrative sanctions as well as increases the maximum amount of an administrative fine from R1 million to 10 million .
- **Clause 32** inserts a new section 175A and provides that a company can apply to the Companies Tribunal to review an administrative fine imposed by CIPC.
- **Clause 33** propose to amend section 214 to make failure to satisfy a compliance notice issued in terms of the Act an offence, but no person may be prosecuted for such an offence if the CIPC has issued an administrative fine.
- **Clause 34** proposes to amend the Arrangement to add the proposed new section 175A.

Proposed amendments to the Financial Sector Regulation Act (clause 35 to clause 41)

Proposed amendments to the Financial Sector Regulation Act, 2017 include:

- **Clauses 35 and 36** propose amendments to sections 2 and 3 to strengthen the Minister's authority to designate new financial products and financial services. This is achieved by introducing a more flexible definition of "financial investment" in section 2 and expanding the definition of "financial product" in section 3, thereby enhancing the regulatory framework's ability to respond effectively to market innovation.
- **Clauses 37 and 38** amend sections 111 and 113 to provide that financial institutions may, where required by a standard issued under section 113, be licensed under both the Financial Sector Regulation Act and another applicable financial sector law, the National Credit Act or the National Payment System Act, where the responsible authority considers dual licensing necessary to achieve its objectives.

Proposed amendments to the Financial Sector Regulation Act (clause 35 to clause 41)

Proposed amendments to the Financial Sector Regulation Act, 2017 include:

- **Clause 39** is proposed to be amended to extend the obligation to provide information to financial sector regulators to significant owners and beneficial owners.
- **Clause 40** proposes an amendment to section 135 to empower financial sector regulators to institute an investigation if the regulator reasonably suspects that a financial sector law has been contravened, may be in the process of being contravened or may be about to be contravened, irrespective of whether the financial sector regulator is aware of the identity of the person(s) responsible for the contravention. The reference is “person” in the provision is proposed to be removed.

Proposed amendments to the Financial Sector Regulation Act (clause 35 to clause 41)

Proposed amendments to the Financial Sector Regulation Act, 2017 include:

- Chapter 12A deals with resolution of designated institutions. Section 166S(7) provides that, where it is necessary for the orderly resolution of a designated institution, the Reserve Bank may reduce the amount that is, or may become, payable under an agreement to which an institution in resolution is a party, or cancel such agreement. S166(9) excludes certain transactions from the application of subsection (7).
- **Clause 41** proposes an amendment to section 166S(9)(b) to replace the reference to “derivative instruments” with “transactions concluded under a ‘master agreement’ as defined in the Insolvency Act” from the application of section 166S(7) of the Act.