12 July 2018

To: The Representatives of Correspondent Banks

Absa Bank Limited: Position Statement on SARB sanction on ABSA

The Financial Intelligence Centre Act (FIC Act) mandates the South Africa Reserve Bank (SARB) to ensure that banks have adequate controls in place to combat money laundering and the financing of terrorism. Flowing from these responsibilities, the SARB inspects banks to assess whether they have appropriate measures in place as required by the Act.

Following on from this inspection, we can confirm that the SARB has imposed a R10 Million penalty on Absa Bank and a directive for the bank to take remedial action in respect of certain identified weaknesses in the Bank’s controls and working methods pertaining to transaction monitoring.

It should be noted that the administrative sanctions were not imposed because Absa was found to have facilitated transactions involving money laundering or the financing of terrorism, but because of the SARB found weakness in the bank’s control measures.

We are cooperating and working with the SARB and have to date taken substantive measures to address the identified control weaknesses.

Nicholas Swingler
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