



PRESS RELEASE

SADC stepping up efforts to address Anti-Money Laundering and Financing of Terrorism

4th January 2024, Gaborone, Botswana: The Southern African Development Community (SADC) has commenced the process to operationalise the Committee on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) as per the provision of Annex 12 of the SADC Protocol on Finance and Investment. The inaugural meeting of the Committee is planned to take place in February 2024. The Committee will among others, facilitate the convergence of the AML/CFT policies, laws and regulatory practices of SADC Member States within the framework of the Financial Action Task Force (FATF) Recommendations and support effective and proportional action against money laundering and the financing of terrorism in the region.

The operationalisation of the SADC AML/CFT committee follows the decision made by the Ministers of Finance and Investment at their meeting held in the Democratic Republic of Congo in July 2023. This decision was informed by the recommendations from the two studies commissioned under the Support to Improving Investment and Business Environment (SIBE) Programme, namely the (i) Assessment of the level of risk for the implementation of the FATF Recommendations and (ii) Assessment of the national authorities' capacities to combat money laundering and terrorist financing structures and proliferation financing and the national authorities' capacity building programme.

Mr Sadwick Mtonakutha, the Director Finance of Investment and Customs, at the SADC Secretariat has assured all AML/CFT/CPF actors that, “the SADC Secretariat pays special attention to the agenda of the fight against AML/CFT/CPF in the region.” He said, “actions at this level will continue to be crucial due to the constant increase in money laundering crimes, exacerbated by the escalation of criminal networks in the region and beyond. The main objective of these efforts is to maintain the SADC region as an investment destination with stable, efficient and integrated financial systems.”

With the operationalisation of this committee, SADC will be able to address AML/CFT issues for the banking and non-banking sectors. The creation of this committee will help mitigate the effects of criminal economic activity and

promote the integrity and stability of the financial markets. The SADC Protocol on Finance and Investment (FIP) calls for Member States to adopt the FATF recommendations, following which the SADC Secretariat has signed a Memorandum of Understanding (MoU) with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Secretariat to formalise its relationship in respect of AML-CFT. The operationalisation of the SADC AML/CFT Committee will be undertaken in close collaboration with the ESAAMLG Secretariat.

The SADC AML/CFT Committee will play a leading role in maintaining initiatives to monitor the developments of Member States on technical compliance with the FAFT recommendations. It will ensure capacity-building for member states to respond adequately to threats to financial stability arising from AML/CFT and contribute to the introduction of legal, political and institutional improvements. The committee will also contribute to mitigating the adverse effects of criminal economic activity and promoting integrity and stability in the financial markets.

The Support to Improving Investment and Business Environment (SIBE) Programme is a five-year Programme (2019-2024) implemented by the SADC Secretariat and financed to the tune of €14 million by the EU under the 11th European Development Fund (EDF). Its objective is to develop the region into a SADC investment zone, promoting intra-regional investment and FDI in the SADC region, in particular for Small and Medium Enterprises (SMEs).

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SADC is an organisation of 16 Member States established in 1980 as the Southern African Development Coordinating Conference (SADCC) and later, in August, 1992 transformed into the Southern African Development Community (SADC). The mission of SADC is to promote sustainable and equitable economic growth and socio-economic development through efficient, productive systems, deeper cooperation and integration, good governance and durable peace and security; so that the region emerges as a competitive and effective player in international relations and the world economy. Member States are Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe.

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