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CBE Focus

CBE Gala Dinner 2022

After an absence of two years brought on by the Covid-19 pandemic, the Congress of Business and Economics (CBE) is delighted to announce that we will be hosting our much-anticipated signature Gala Recognition Awards Dinner in November.

The CBE Recognition Awards has two elements - the 'CBE - Ahmed Kathrada Excellence in Leadership Award' and the 'CBE Innovation Award'.

The CBE has always enjoyed an extremely cordial relationship with the late struggle icon Ahmed Kathrada and continues to have this with the Foundation established in his name and which does sterling work in promoting Kathrada's ideals of fighting racism in all its guises. We are grateful to the Foundation for allowing us to name the main Awards after the legendary leader.

The 'CBE - Ahmed Kathrada Excellence in Leadership' Award recognises exemplary men and women who have excelled in leadership by making a difference to society in diverse areas.

Since the inception of the Awards in 2003 Ahmed Kathrada, Naledi Pandor, Ebrahim Ismail Ebrahim, Dr Essop Jassat, Pravin Gordhan, Thuli Madonsela, Derek Hanekom, Dr John Kani, Judge Albie Sachs and Professor Ben Turok have been amongst a host of other leaders who have been acknowledged.

The 'CBE Innovation Award' aims to acknowledge the pioneering work of people who have made great strides in innovation in the business, technology and science fields.

Besides the Awards made on the evening, awards and guests can also enjoy a sumptuous meal and entertainment and there is an excellent opportunity to share the experiences and advice of high-profile guests

We look forward to hosting this prestigious event once again.

For more information or to book your table/seat please contact the CBE office on 083 786 1960 or email at info@cbeonline.co.za

Some of the Reasons behind rampant corruption

By EbrahimKhalil Hassen *- Public Policy Analyst and a member of the CBE Research Desk*

We are a country that remembers the assassination of whistle blowers. Babita Deokaran is remembered as a heroine and rightly so. In our remembrance of Deokaran we owe a duty of support to whistle blowers who are in hiding and live in fear. The killers and looters must be brought to book swiftly. Arresting people is critical to sending a message that as a society we do not tolerate stealing of public monies.

How do we create conditions were there is much less corruption? A foundational starting point is made by the authors of ***Shadow State: The Politics of State Capture.*** The authors tell us that we are not dealing with simple corruption but a political project. The modus operandi is one of linking decisions to procurement, in order to siphon public monies.



This operation is possible because of a network between politicians, bureaucrats and businesses. The Zondo commission captures the sophistication and complexity of these manoeuvres in volumes. As the circumstances around Deokaran's assassination are exposed, we add Tembisa hospital as an example of capture. Capture happens at a local level. Everywhere.

Our heroes have been the brave. Exceptional South Africans. The whistle blowers who have found support and voice through journalists. Civil society coalitions like "Defend our Democracy" have provided a space for mobilisation and developing solutions. These examples make us hopeful that the South African dream may yet be realised. The response by good South Africans is however not sustainable. There are simply not enough resources to uncover every instance of looting.

A different approach is needed. One that institutionalises a system that makes state capture impossible. The revision to the procurement laws provides an opportunity to reshape the way the public service works. The current proposals from the National Treasury are however inadequate. An important intervention from the Defend our Democracy exercise are proposals for Chapter Nine institutions focused on bringing the corrupt to book. It is an important proposal. The current reforms must be strengthened through limiting opportunities for corruption, not just trying to catch the crooks after the fact.

This requires piercing the veil of internal workings in the public service. The evidence emerging from Deokaran's investigations illustrates what is wrong.

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Some of the Reasons behind rampant corruption

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Firstly, there was little control over the setting of prices or the choice of items purchased. The expose on prices shows half a million being spent on skinny jeans. This immediately must raise questions – what would a hospital be using skinny jeans for? It is an unusual purchase that should be flagged.

Secondly, there is little control over prices. The expose continues to share that the hospital bought 2 000 hand towels for R230 each and 100 leather chairs at a cost of R5 000 a chair. Both items are available at a fraction of the price. A quick online review shows a locally made and high-quality hand towel selling for around R100 and leather chairs are available from R 1 500. The current procurement system has no way to tell administrators that the cost of towels or chairs should be within these ranges.

Thirdly, the procurement system allows for administrators, like a hospital Chief Executive Officer, to sign off on procurement without information. Not only will they not have the fair value prices for items such as the towels or chairs, but they also will not have easy access to historical records and patterns of expenditure in their own hospital and other hospitals.

Changing the system of procurement in South Africa to evaluate spending before it happens and to provide information on prices is possible, and it would provide a bulwark against corruption. Some of the elements are already in place. To illustrate, the Government Technical and Advisory Service (GTAC) already has a robust methodology for assessing public spending, and has completed work on prices of goods.

> ***...our procurement system must subject spending decisions to price comparisons, and on more complex spending it should be subjected to a system of internal review…"***

There is enough work here to assign duties to officials to monitor and collect prices. One could also rope in an institution like Statistics South Africa to run surveys on prices. This information on prices would create rules for procurement so that hospitals are not buying skinny jeans or spending R230 on a single towel.

Of course, this requires an online system. Here again government has the software available to rapidly pilot such a system. In an earlier article for the CBE I explained how internal validation of procurement could happen.

It is important to remember that the allegations of corrupt procurement at Tembisa hospital is but one out of many more. Designing a system of internal controls that subjects procurement decisions to rules is critical to the long-term development of our country.

Our efforts at campaigning against corruption must result in an institutionalisation of rules that supports effective and honest spending in the public service. Understanding and learning from the case of Tembisa hospital offers insights into how this could happen.

This case represents a simple form of procurement corruption. As shown by the Zondo commission, at state-owned enterprises the corruption is complex.

But even against such complex machinations, changes to procurement regulations may prove surprisingly effective.

Simply stated, our procurement system must subject spending decisions to price comparisons, and on more complex spending it should be subjected to a system of internal review.

In such a system, Deokaran's work would have a context in which irregular and outrageous spending would not emerge and if it did, it would be subjected to regular processes of review.

Humour Time with CBE

* To err is human, to blame it on someone else shows management potential.

* A clean desk is a sure sign of a cluttered desk drawer.

* The clinical psychologist at a large insurance company treated someone who had a fear of moving between the three large adjacent buildings housing the company. She found that he had a complex complex complex.

* The CEO says the glass is half full and there are opportunities to fill it. The Sales Manager tells his team that the glass is half empty and they need to work hard to fill it fast. The Engineering Manager says the glass is actually twice the size that the company should be having.

* Team work is important in any job; it helps you put the blame on someone else.

* I once had a work colleague who was a master at multitasking – he could waste time, be unproductive, and procrastinate all at the same time.

* Before I retired I used to get lots of exercise at the office - I used to regularly jump to conclusions, push my luck, and dodge deadlines.

* The company CEO asked his CFO why he never brought a partner along to social events, so he decided to take his wife along at an awards evening hosted by the company. As the party wore on, the CEO approached the couple, with the wife hanging on to the husband's arm.

"So you must be his wife?" the CEO asked her.

She looked at her husband with a feigned angry look and said: "Oh! Oh! So you have a wife?"

The CEO just slinked away uncomfortably and the CFO had a bit of a tough time explaining about his practical joker wife at a meeting the CEO called urgently the next morning.

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Sayed Mia Tributes

S. H. Mia's often quiet and diverse philanthropy encompassed all religions, caste and creed



On one of the last pictures taken with the CBE

Thousands of South Africans and people abroad were shocked at the sudden passing of legendary philanthropist and retired businessman Sayed Hoosen Mia, who was also an invaluable member of the CBE Board.

Mia passed on suddenly at his residence in Johannesburg on Wednesday 17 August, aged 76.

Mia started his career as a teacher in the sprawling Indian township of Lenasia, created south of Johannesburg by apartheid legislation to forcibly resettle the Indian community of the city in the 1950's.

Using part of his meagre salary at the time, Mia supported the education of the Indian children from the slum area of Thomsville within Lenasia.

But his real calling was for other fields, so he soon moved into insurance, developing a formidable team which year after year won awards for the best performance nationally.

Here too, his philosophy of sharing whatever he earned translated into support for organisations as diverse as the annual Diwali Festival of the Hindu Coordinating Council and bursaries for the Tamil Federation of Gauteng to new mosques and a wide range of educational and social welfare programmes.

During the critical housing shortage in Lenasia during the apartheid era, Mia not only undertook one of the first private sector projects to build a thousand affordable homes for people, but even assisted with their required deposits for lights and water connections sometimes.

Community leaders paid glowing tributes to Mia..

Mia has received scores of awards and accolades over the years, including the prized Paul Harris Award from Rotary International.

Mia is survived by his wife Farida, three sons, a daughter and a number of grandchildren.

Lifelong friend and CBE Standing Committee member Fakir Hassen recalled his association with Mia of almost five decades.

"It's so difficult to describe my grief at the loss of my brother, lifelong friend and the greatest philanthropist and humanitarian that I have ever known, Sayed Mia.

On Saturday my wife Zarina, Farida, Sayed and I were all together at the Women's Month High Tea hosted by the CBE and making arrangements to meet up at their place the following week. That home visit became the saddest one ever now.

Sayed and I both started out our careers as teachers.

As Sayed became first an insurance giant and then a property magnate, which included his long-standing dream of what eventually became the Trade Route Mall in a partnership, I went on to work in various media.

Sayed was my biggest supporter, always willing to contribute to my project together with Sammy Naidoo of the Apple Group of Print Companies to place our 27 books so far free of charge in public, school and university libraries.

An ardent fan of the Indian cinema industry, Sayed sponsored the entire project when we marked a milestone with the Indian Cinema Centenary Awards, where we gave awards to 100 people each in Johannesburg and Durban, many seeing each other again after decades in some instances. Sayed was thrilled that he was a catalyst for this reunion of sorts.

Sayed's often quiet and diverse philanthropy encompassed all religions, caste and creed.

His unassuming and humble manner of never causing offense but rather remaining silent if necessary was offset by his sage counsel amassed over decades of experience.

Sayed and Farida raised three equally humble and respectful boys and a daughter, doting on them even when they have become established professionals in their own right, as I have been witness to since their childhood.

Sayed's memory will live on forever through his philanthropy, but his personal interaction will be difficult to forget.

I have no doubt that his place in Jannah has been reserved for all the good through which he touched the lives of thousands of people."

CBE Executive Director Yusuf Moosajee sent a message of condolence to the family:.

It is with great sadness that we heard about the passing of Mr Sayed Mia, an active Board member of the Congress of Business and Economics (CBE).

Mr Mia will be fondly remembered for his calm demeanour and sage advice. His passing will leave a huge void in the CBE.

We remember his contribution as recently as the Saturday, just a few days before his passing, at a CBE Woman's month event.

Mr Mia will always remain an inspiration to all of us. Our heartfelt condolences go out to the family. May the Almighty grant ease during this very difficult time .

Our thoughts and prayers are with you.

- From the Board and Committee members of the CBE.

Veteran anti-apartheid activist Prof Firoz Cachalia to chair Anti-Corruption Advisory Council

By FAKIR HASSEN

Veteran anti-apartheid activist Prof Firoz Cachalia will chair a new National Anti-Corruption Advisory Council (NACAC) that was appointed on 29 August 2022 by President Cyril Ramaphosa.

"The Council has been established to deepen the country's efforts to rid society and the administration of corruption, improve investor confidence and secure higher levels of public trust.

"The new body will advise government on the critical preventative measures, institutional capabilities and resources that are required to proactively curb a recurrence of state capture and to prevent fraud and corruption in South Africa," the Presidency said in a statement, adding that the appointment of the Council fulfilled a commitment made by Ramaphosa in the February 2021 State of the Nation Address.

The Council will advise the President on matters related to fighting corruption, in line with the National Anti-Corruption Strategy 2020-2030.

The NACAC appointment of nine members brings together representatives from diverse organisations, including civil society and business, who will work alongside government to prevent and stamp out wrongdoing.

Among other areas of focus, the Council will advise the President on effective implementation of the anti-corruption strategy by government and civil society, including the private sector.

"The National Anti-Corruption Advisory Council is the embodiment of our united resolve as a nation to rid all components of our society of all forms of crime and corruption and develop a whole-of-society response to and prevention of this scourge," Ramaphosa said.

"We have, over a number of years, witnessed the varied impacts of corruption on our public and private sectors. This damage exposed systemic failures as well as shortcomings in personal ethics and commitment to the country.

"The Council will enjoy the support of the vast majority of South Africans, who are honest and law-abiding and want our country to succeed. The Council will be a source of concern only to those whose days for undermining our development and prosperity are numbered," the president added.

The Council will also provide advisory input on matters related to government's comprehensive response to the recommendations of the Judicial Commission of Inquiry into Allegations of State Capture, which unearthed massive corruption, including billions looted from parastatals by the Gupta family.

The three Gupta brothers – Ajay, Atul and Rajesh, are now in self-exile in Dubai as South Africa awaits the finalisation of an extradition request.

Join the CBE Family Enterprise workhops in SA

"It is my firm belief that Family Enterprises are the foundation of economies and their locomotives, enabling them to achieve sustainability, create wealth, employment, growth, and equitable income distribution, leading to individual happiness. I am proud to have dedicated my career to help families in business achieve their objectives."

Dr Haluk Alacaklioglu

The Congress of Business and Economics in conjunction with Vector Consulting will be hosting world-renowned family business expert Dr Haluk Alacaklioglu to an all-day conference on 2 November 2022 in Johannesburg and 5 November in Durban. It will be held in Cape Town on 16 November in conjunction with Legacy Fiduciary Services and Estate Planners and Nexia SAB&T.

The programme will focus on Good Governance for Family-Owned Companies to ensure their continuity across generations.

In today's disruptive business and social environment, family business survival is at stake. If a family cannot build good governance rules and practices, it is likely to fail, as worldwide research shows.

Family dynamics must be understood well and dealt with to keep the family consensus as much as possible, but also to keep a healthy business.

The key questions to be addressed at the workshops include:

- How good governance practices help Family Enterprises overcome and even get stronger in major crises like the Covid-19 pandemic
- Key aspects of successful governance. Why are they important for survival of your business?
- What are the different challenges for the founder, siblings and cousins and what are the different strategies and tools available to each?

Permanent Exhibition on Ahmed Kathrada at Constitution Hill

The CBE congratulates the Ahmed Kathrada Foundation on the opening of a permanent exhibition on the life and times of the late Ahmed Kathrada at Constitution Hill in Johannesburg, alongside those of late iconic leaders Nelson Mandela and Mahatma Gandhi.

Kathrada had a long association with the CBE right until his passing, and we continue to have an excellent relationship with the Foundation started in his name to fight racism in all its forms. The 'CBE - Ahmed Kathrada Excellence in Leadership Awards' made annually also bear his name.

An impassioned plea in a letter by Kathrada to former president Jacob Zuma to listen to the people of South Africa and do the honourable thing by stepping down has found a special place among the artefacts that are now part of the exhibition.

> ***… it is hoped that future generations would learn from the sacrifice made by Kathrada by visiting the exhibition...***

The exhibition shares a variety of personal items and posters and information on the life of Kathrada, all carefully curated by Razia Saleh, Director: Archive & Research at the Nelson Mandela Foundation.

"Including this letter was important because it was part of Kathy's legacy. It was painful for him to come to that decision to send that letter, because in the tradition of the ANC, you should try to resolve your internal struggles within the party, but Kathy felt compelled to make this letter open to the public because he was deeply dissatisfied with the events as they were unfolding," she said.

Saleh said she hoped that future generations would learn from the sacrifice made by Kathrada by visiting the exhibition.

"He could have gotten a lesser sentence on appeal, but he decided that he would stand by his comrades and chose not to appeal. He was only 34 years old and when he was released (from Robben Island) he was 60 years old," Saleh said.

Constitution Hill CEO Dawn Robertson said the exhibition would become a core part of the visitor experience at the venue.

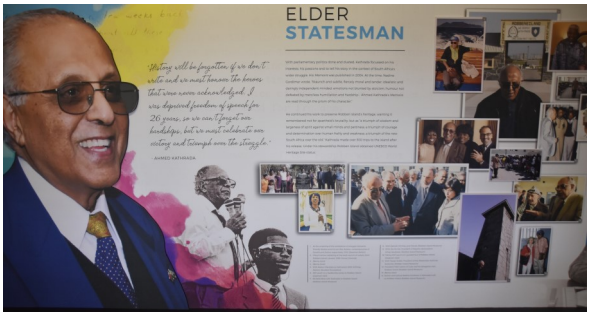
"Our guides are already working on scripts for national and international visitors," Robertson said as she explained that a new Visitor Centre in partnership with the renowned Smithsonian Institute in the US would be ready by the end of next year.

SARS Commissioner Edward Kieswetter said that if Kathrada was alive, he would probably have said that there was no need to immortalise his life through a permanent exhibition.

"Uncle Kathy would have underplayed the injustices he had suffered and he would claim no victory for the immeasurable contribution that his generation had secured for us," Kieswetter said.

Ahmed Kathrada Foundation Executive Secretary Nishan Balton said the National Lotteries Commission had provided the funding for the exhibition as he pointed out that the Foundation had been pressed to account for every cent of expenditure, unlike many other government projects that were emerging in the media as being tainted with corruption.









A wide range of posters reflect different aspects of Kathrada's life and displays show some personal collections.

There is also a replica of his cell on Robben Island







The very popular Women's Month High tea returned on 13 August 2022 for the7th year, after a break of two years brought on by the Covid pandemic.

This time, it was done in in collaboration with HEELS International, which was founded five years ago by CBE Board member Shireen Ebrahim.

"The High Tea event was initiated to celebrate the enormous role that women play in our society," Ebrahim said as she welcomed the guests, which included a few men!

"We celebrate this day to pause and reflect on how far women have come, but also to realise how much more work we still need to do. The good news is, there's power in collective action and in community—and today, women are more revved up and connected to each other than ever before," she said.

HEELS is an acronym for 'Helping Every Exceptional Lady Succeed'. The organisation focuses on mentorship and support with skills and knowledge transfer as a catalyst, giving successful and empowered women the opportunity to share their lives to provide inspiration to other women.

HEELS International has 75 000 women around the globe who share challenges they face daily, whether at home or the workplace; specifically on education, violence, health care, motherhood, sexism and barriers for equal opportunities between societies and social classes.

The group comprises influential thinkers, educators, and activists for greater equality and justice and showcases women's talent; elevating visibility through celebration events; and awards.

Several speakers shared their experiences with the guests, who were also entertained by Ridwan Dawood and Karou Charou before they enjoyed the treats laid out at the Palm Continental Hotel in Mayfair.



More photos from the High Tea on Page 7

Poverty in our rainbow nation poses a dire threat to our democracy

By FAROUK ARAIE (Benoni-based Activist)

Numerous influential and prominent personalities have warned the nation that abject poverty, which is widespread across our landscape, is a time-bomb and a weapon of mass destruction that could engulf our stricken country in a major cataclysm.

The carnage that the nation witnessed during the July 2021 destruction in KZN and parts of Gauteng gave us all a vivid 3D display of poverty in full fury and incitement from a variety of sinister role players.

South African Special Risks Insurance Association {SASRIA} estimated that the damage in that looting and mayhem, the most expensive in the world, amounted to more than R50 billion. This was therefore one of the most expensive riots in the whole world.

South Africa is the most unequal country in the world and inequality is only worsening in the country, resulting in more and more people living in a state of poverty. A 2020 United Nations Human Development Report revealed that one in five South Africa's lives on less than R28 a day. The report concluded that if the root of this inequality is not dealt with, the country will not be able to eradicate poverty by 2030, a goal which has been set out by the United Nations.

Unemployment is the short fuse that is capable of igniting another uprising of dangerous proportions. Unemployment is more than 32%, and it is above 64% for those under the age of 35, according to government statistics. Huge numbers of the population face daily poverty and food insecurity.

Inequality is dangerously high, persistent, and has increased since the advent of democracy in 1994. High levels of income polarisation are manifested in very high levels of chronic poverty; huge levels of high-income earners; and a relatively small middle class.

Covid-19 has made poverty worse in our country. The pandemic has exacerbated many of the underlying issues surrounding poverty in the country.

It is conservatively estimated that over two trillion rands was brazenly and shamelessly stolen by a multitude of people within the corridors of power, resulting in the complete disintegration of virtually every state institution. An amount of this magnitude could have wiped out every vestige of poverty and inequality in our land.




HEELS
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HEELS
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‘50th anniversary of expulsion of all Asians from Uganda by Idi Amin a lesson in breakdown of democratic order’ - reconciliation expert

By FAKIR HASSEN

The expulsion of tens of thousands of Asians from Uganda 50 years ago by dictator Idi Amin should be commemorated for the lessons all Ugandans learned, says UK-based academic and internationally recognised expert on reconciliation, Dr Mohamed Keshavjee.

Keshavjee is a member of the Steering Committee set up in the UK to commemorate the 50th anniversary of the Ugandan expulsion.

> ***“Tyranny generally makes no distinction between race, class, colour, or creed. Human beings become expendable, and they search for a refuge wherever they can find it.”***

In August 1972 Amin gave the country’s Asian population of around 80 000 just 90 days to leave Uganda, alleging that they were disloyal to the country, resisted social integration and engaged in business malpractice. About a quarter of them had been naturalised as second and third generation Ugandan citizens at the time.

Although this was denied by the Asian community, they rapidly sold up their homes and businesses, usually for a pittance to locals. Many even abandoned these completely to flee to countries such as the UK, Canada, India, Pakistan and a small number to neighbouring Kenya.

“Tyranny generally makes no distinction between race, class, colour, or creed. Human beings become expendable, and they search for a refuge wherever they can find it,” said Keshavjee, who has maintained close relationships with friends in South Africa and Kenya.

“The Indian communities, by and large, were lucky by being able to flee to countries which grudgingly or ungrudgingly accepted them. Sadly, many more Ugandan Africans also lost their lives under the most brutal circumstances of Amin’s reign of terror,” he said.

Keshavjee recalled how his family had rescued a former Ugandan cabinet minister from Idi Amin’s murder squads.

“It was in the early hours of the morning one day in August 1972 that former Attorney General of Uganda, Joe Zake, who had studied at the University of Fort Hare in South Africa, knocked on our door at our Nairobi residence,” Keshavjee said.

“Zake had walked part of the way from the Ugandan capital of Kampala to escape goons who had been sent by Amin to kill him for having served in the previous Ugandan cabinet.

“For an Indian family resident in Kenya, many of whose members still carried a South African passport, to shelter Zake was a risky undertaking. The Kenyan government had openly declared that the country was no ‘dumping ground’ for fleeing Ugandan Asians, or for high-ranking politicians fleeing from Uganda,” Keshavjee said.

After much difficulty in getting required travel documents for Zake and his family to leave the country, the Keshavjee family managed to get him and his family to London, from where they eventually settled in the US.

“Zake remained in the US for the next few years pending a change in Uganda, which took place only in 1979 when his cousin, Godfrey Binaisa, became president. Binaisa then invited Zake to become Uganda’s ambassador to the US — a post he held for some years. He passed on in the early 1980s,” Keshavjee reminisced.

“The Zake experience gave rise to a psychosis of fear among Asians in other parts of East Africa, and most of the Keshavjee family, as with many of the immigrant Indian communities, left Kenya for Canada, where today they are playing an important role as part of a robust civil society with one of them, Murad Velshi, becoming the first South Asian to be elected to the Ontario Legislature in the late 1980s,” said Keshavjee.

In 2016, Keshavjee was awarded the Gandhi, King, Ikeda Peace Award by the Martin Luther King Jr. International Chapel at Morehouse College, Atlanta, Georgia, for his lifetime of work dedicated to mediation, peace and human rights education.

Amin was ousted in 1979 after neighbouring Tanzania, which Amin tried to annex, assisted rebel forces within Uganda. He went into exile with his family in Libya and finally settled in Saudi Arabia until his death in 2003.



During a visit to South Africa to launch his book ‘Into That Heaven of Freedom’ in 2016, Keshavjee was thrilled to meet the late Ahmed Kathrada at the launch of the book ‘101 Gandhian Inspiration’ by Fakir Hassen at the Killarney CineCentre in the same week.

Keshavjee joined Kathrada as one of the speakers at the launch.

Keshavjee is flanked by his wife Amina Jindani and CBE Standing Committee member Lucy Sigaban (left).

Urgent legislation mooted to avoid South Africa being grey-listed by the Financial Action Task Force

The South African government has introduced some urgent legislation to avoid the country being grey-listed by the Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog.

As a policy-making body, the 200-member FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

The Minister of Finance has tabled the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill in Parliament, which will now follow the process of public comments, convening hearings, making amendments and the passing of the Bill.

A statement released by the Treasury said that this demonstrated the commitment of the South African government to Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) and addressing the deficiencies identified by FATF's Mutual Evaluation Report (MER) of South Africa, which was published in October 2021.

"When enacted into law, it will improve South Africa's adherence to international best practices in combating financial crimes and corruption," Treasury said.

South Africa received a very poor ratings assessment in its mutual evaluation, and as a result has been placed in an enhanced follow-up process, which involves more frequent reporting to the FATF, until South Africa has addressed all the deficiencies that were identified.

South Africa was also placed on a one-year observation period (from October 2021 to October 2022).

In terms of the follow-up process, South Africa is required to submit its first follow-up report to the FATF at the end of August 2022, and a second report in October 2022, in preparation for the February 2023 FATF Plenary.

A FATF grey listing, which is made public, is likely to have the effect of increasing the cost of doing business for South African businesses with foreign trading partners.

"National Treasury has been working closely with officials from the Departments of Justice and Constitutional Development; Trade, Industry and Competition; Social Development; the Financial Intelligence Centre, the Companies and Intellectual Property Commission; and the South African Revenue Service through an Interdepartmental and agency Committee on AML/CFT that is chaired by the Director-General of National Treasury in preparing an action plan to prevent grey listing, including the development of the draft Bill," the statement said.

The South African authorities have also secured technical assistance from the World Bank and the European Union, to learn the lessons of other countries on how to strengthen the AML/CFT system to better tackle financial crimes and corruption, and to prevent the country from being grey-listed.

To ensure that the necessary laws are enacted as soon as possible in line with the need to show progress in our report back to the FATF, all amendments across several Acts have been incorporated into one omnibus Bill.

The Amendment Bill seeks to address deficiencies in at least 14 of the 20 recommendations, including an appropriate enhancement of powers and procedures for regulatory authorities.

A separate Bill, the Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill, 2022, deals with two further recommendations.

The Treasury said that the outstanding four deficient recommendations would be dealt with via policy processes and mechanisms to be developed by October/November 2022.

The statement conceded that aside from successfully addressing all or most of the 20 technical deficiencies by the end of the year, South Africa will have the harder task of demonstrating the effectiveness of its laws and frameworks, including demonstrating that the country has credible national risk assessments to deal with money laundering and terror financing.

"It is imperative that the country demonstrates in the next six months that it has made significant progress in addressing the deficiencies in FATF," Treasury concluded.

The Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog, hosted a webinar on 1 September 2020 with the theme 'Beneficial Ownership Transparency of Legal Persons.' The webinar is now available to watch or listen to at www.fatf.org.

The webinar brought together a panel of experts with a global and domestic focus on enhancing beneficial ownership transparency, who helped shape the FATF work in this area. The discussions focused on the following topics:

- New FATF obligations on beneficial ownership (BO) transparency - objectives and rationale.
- National experiences, challenges, and lessons-learnt in conducting collecting BO information and developing appropriate mitigation strategies.
- Role of private sector – what can be done further to enhance adequacy, accuracy and timeliness of BO information.