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## South Africa Grey Listed – Futuregrowth’s Perspective

You may have seen the news headlines announcing that South Africa has been ‘grey listed’ by the Financial Action Task Force (FATF). Grey listed countries are subject to increased monitoring while they take steps to implement the recommended standards to combat money laundering and counter terrorist financing.

Although the FATF acknowledged that South Africa has a solid legal framework for combating money laundering and terrorist financing, the country must improve in its efforts to pursue money laundering and terrorist financing transgressions, to detect and seize illicit cash flows and improve the availability of beneficial ownership information.

We are encouraged by the recognition from FATF of the progress made by the Prudential Authority in the application of a risk-based approach to supervision. As a result, there are no action plan that relate directly to the preventive measures in respect of the financial and insurance sectors.

### We have adopted a risk-based approach to manage the risks

At Futuregrowth, we have zero appetite for our business to be used to finance terrorist activities or to launder money. We have adopted a risk-based approach to manage the risk of money-laundering, proliferation and terrorist financing and have developed a Risk Management and Compliance Programme (RMCP), which is the foundation of our efforts to comply with its obligations. The RMCP is a high-level framework for the disciplined, continuous and consistent management of money laundering and counter terrorist financing risks.

We are confident that our internal processes and policies to prevent financial crime are robust and in line with international best practice, and we are committed to continue operating with transparency and integrity.

While it is impossible to know exactly what the impact will be from South Africa’s grey listing, it is important to note that this is not a permanent or irreversible situation.

We remain committed to working with our Regulators to maintain the integrity of our regulatory environment in South Africa and to manage the risks associated with money laundering, proliferation and terrorist financing activities and will continue to work with

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law enforcement agencies to support them in their efforts. We also support government's efforts to rebuild the institutions that were weakened during state capture. This is essential to address crime and corruption in South Africa.