



South Africa

COUNTRY RISK BRIEFING – 2025





Country Overview



Location:

Southern Africa; borders Namibia, Botswana, Zimbabwe, Mozambique, Eswatini, and Lesotho



Capitals:

Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial)



Currency:

South African Rand (ZAR)



Population:

Approximately 64.8 million (2025 UN estimate)



Unemployment Rate:

32.9% (2025 Government estimate)



GDP:

\$403 billion (2024 IMF estimate); largest economy in Africa



Major Economic Sectors:

Mining (gold, platinum, coal), financial services, manufacturing (automotive, chemicals, food processing), energy, agriculture, defence



Natural Resources:

Gold, platinum, chromium, coal, diamonds, manganese



Government:

Parliamentary republic with an executive presidency under the 1997 Constitution



Economic Classification:

Upper-middle-income country, BRICS and G20 member

Economy & Politics

South Africa has the most diversified and industrialised economy on the African continent, though it faces significant structural challenges. Services dominate the economy, accounting for over two-thirds of GDP, with major sectors including financial services, retail, and telecommunications. Mining, a historic economic driver, remains significant, particularly for gold, platinum, and coal exports, though it is declining in relative importance. Manufacturing sectors such as automotive, food processing, and chemicals are key sources of growth and employment. The informal economy is smaller than in many African peers but still accounts for around a fifth to a quarter of GDP.

South Africa is a major regional trade and investment hub. Its key export markets are the EU, China, the US, Japan, and India, with increasing trade through the Southern African Development Community (SADC) and the Southern African Customs Union. Top exports include precious metals, automotive parts, and coal, while defence exports have grown significantly in recent years.* After a sharp post-pandemic rebound, foreign direct investment (FDI) dropped from \$9.2 billion in 2023 to \$5.2 billion in 2024, reflecting ongoing investor concerns over political instability, corruption, and slow economic reform. High public debt (73.4% of GDP in 2024), persistent inequality (Gini coefficient of 0.67), and high unemployment (~32%) continue to hamper growth prospects.

South Africa is a parliamentary republic with an executive presidency. The bicameral Parliament consists of the National Assembly (proportional representation) and the National Council of Provinces.

Traditional Councils also advise on tribal governance matters. Following the 2024 general elections, the African National Congress (ANC) lost its parliamentary majority for the first time since 1994, forming a coalition government (Government of National Unity) that holds 72% of seats. Political tensions remain high following corruption scandals involving former President Jacob Zuma and ongoing allegations against President Cyril Ramaphosa. South Africa maintains an influential but complex foreign policy, balancing leadership in the African Union with BRICS membership and historically close ties to Western nations. Geopolitical alignment fluctuates between supporting Western economic partnerships and BRICS political alliances.

**Please note that while trade and export data are correct at the time of writing, they should be interpreted with caution, as ongoing shifts in US tariff policies may significantly impact global trade dynamics and data reliability in the near term.*



Themis Expert View

WRITTEN BY:



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South Africa's financial crime landscape is shaped by a stark contrast between a strong legal framework and persistently weak enforcement. While the country has made notable legislative strides — including reforms to its AML/CFT regime and beneficial ownership requirements — systemic vulnerabilities remain, largely driven by entrenched corruption, fragmented regulatory supervision, and under-resourced law enforcement.

The political and economic environment presents a fertile ground for financial crime. Corruption and bribery risks are particularly acute in public procurement and state-owned enterprises, with repeated high-profile scandals exposing weaknesses in oversight and accountability. South Africa's role as a regional financial hub, combined with its sophisticated financial sector and extensive mineral wealth, also makes it a conduit for illicit cross-border flows. Organised criminal groups exploit trade routes, mining operations, and the financial system to facilitate money laundering, trafficking of wildlife, drugs, and arms, and illicit gold trade.

The FATF's grey-listing of South Africa in 2023 underscored deficiencies in the country's regulatory framework — particularly around beneficial ownership transparency, sector supervision (especially of DNFBPs), and the prosecution of financial crimes. Despite progress in addressing some of these gaps, major vulnerabilities remain in the non-financial sector, cross-

border cash movements, and enforcement of AML/CFT obligations on fintech and informal financial actors.

Financial crime typologies in South Africa are highly diverse. High cash usage, informal remittance channels, and the Krugerrand gold trade are exploited for money laundering, while wildlife and narcotics trafficking and illegal mining are closely linked to transnational organised crime networks. Politically exposed persons (PEPs), especially those linked to the ANC and state-owned enterprises, continue to present elevated corruption risks.

For firms operating in South Africa or handling business involving its trade, financial or mining sectors, robust due diligence and proactive risk management are essential. Financial crime risks are not only domestic but also transnational, with key nexus points in Dubai, China, and across the BRICS network. Organisations must also be alert to trade-based money laundering (TBML) schemes and the misuse of trusts, corporate structures, and property markets for concealing illicit proceeds.

In this evolving landscape, South Africa's financial crime risks remain significant but manageable — provided businesses implement rigorous compliance frameworks and remain attuned to both local political dynamics and global enforcement trends.



FINANCIAL SECRECY



TAX CRIME



SANCTIONS EVASION



MONEY LAUNDERING



CYBERCRIME



FRAUD



MODERN SLAVERY &
HUMAN TRAFFICKING



ENVIRONMENTAL CRIME



TERRORIST FINANCING



DRUG & ARMS
TRAFFICKING



BRIBERY & CORRUPTION

Regulatory Overview

South Africa has a relatively comprehensive legal and institutional framework to combat financial crime, though significant enforcement and supervisory gaps remain, particularly in high-risk and non-financial sectors. Key regulatory bodies and legislation include:

Primary Anti-Financial Crime Regulators and Agencies:

- **Financial Intelligence Centre (FIC):** South Africa's financial intelligence unit (FIU), responsible for receiving and analysing suspicious transaction reports (STRs), overseeing AML/CFT compliance in accountable institutions, and providing financial intelligence to law enforcement.
- **Financial Sector Conduct Authority (FSCA):** Supervises the financial services industry, including securities, investment firms, and certain non-bank financial institutions.
- **South African Reserve Bank (SARB):** Oversees monetary policy and supervises AML compliance for the banking sector. Imposes sanctions and administrative penalties for non-compliance.
- **National Prosecuting Authority (NPA):** Prosecutes financial crime and corruption cases through specialist units including the Asset Forfeiture Unit (AFU) and the Investigating Directorate.
- **South African Police Service (SAPS):** Investigates serious crime, including through specialised units such as the Directorate for Priority Crime Investigation ("Hawks").
- **South African Revenue Service (SARS):** Investigates and enforces tax crimes.
- **State Security Agency (SSA):** Oversees counter-terrorism and terrorist financing investigations.
- **The Inter-Departmental Committee on AML/CFT (IDC)** coordinates national policy efforts.
- **The South African Anti-Money Laundering Integrated Task Force (SAMLIT)** facilitates public-private collaboration on financial crime typologies and risk mitigation. South Africa is also a full member of the Financial Action Task Force (FATF) and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

Primary Anti-Financial Crime Legislation:

- **Financial Intelligence Centre Act (FICA), 2001:** Establishes core AML/CFT obligations, customer due diligence, and reporting requirements for financial institutions and DNFBPs.
- **Prevention of Organised Crime Act (POCA), 1998:** Defines and criminalises money laundering and racketeering; provides for asset forfeiture.
- **Prevention and Combating of Corrupt Activities Act (PRECCA), 2004:** Principal anti-corruption legislation, recently amended to criminalise failure to prevent corruption.
- **Protection of Constitutional Democracy Against Terrorist and Related Activities Act (POCDATARA), 2004:** Covers terrorist financing and related offences.
- **Cybercrimes Act, 2021:** Clarifies cyber-related offences and investigative powers.
- **Companies Act, 2008:** Includes provisions on beneficial ownership transparency and corporate governance.
- **Tax Administration Act, 2011:** Criminalises tax evasion and related offences.

Financial Action Task Force Assessment

South Africa underwent its most recent Financial Action Task Force (FATF) Mutual Evaluation in 2021, which assessed its AML/CFT framework. The evaluation identified serious deficiencies, particularly in supervision, beneficial ownership transparency, and the prosecution of money laundering and terrorist financing offences, and the country was placed on the FATF's "grey list" in 2023 as a result.

In its 2024 Follow-Up Report, the FATF acknowledged progress in addressing several technical compliance gaps. Improvements were noted in national coordination, terrorist financing measures, and beneficial ownership regulations. However, significant vulnerabilities remain in sectoral supervision, enforcement of AML/CFT obligations on DNFBPs, and cross-border cash controls. South Africa remains under enhanced follow-up, and further improvements are required to exit the grey list.

Category	2021 FATF Mutual Evaluation	2024 FATF Follow-Up Report
Overall Assessment	South Africa's AML/CFT framework was found to have major deficiencies in implementation, particularly in beneficial ownership transparency and DNFBP supervision.	South Africa made notable progress in addressing technical deficiencies but remains grey-listed due to continued weaknesses in supervision and enforcement.
Technical Compliance Ratings	Compliant: 3 Recommendations Largely Compliant: 17 Recommendations Partially Compliant: 15 Recommendations - Beneficial ownership transparency - Supervision of DNFBPs and fintech sectors - Targeted financial sanctions (terrorist financing) Non-Compliant: 5 Recommendations	Compliant: 3 Recommendations Largely Compliant: 20 Recommendations Partially Compliant: 12 Recommendations - Beneficial ownership transparency - Supervision of DNFBPs - Cross-border cash controls Non-Compliant: 5 Recommendations
Key Risks Identified	- Corruption and bribery - Tax crimes and fraud - Drug trafficking and environmental crime - Use of cash-based transactions and informal financial systems	Same as 2021, with additional emphasis on terrorism financing vulnerabilities and risks from transnational organised crime networks.
Strengths	- Functioning FIU - Basic customer due diligence - Improvements in asset confiscation - Initial steps to counter corruption through civil forfeiture orders	- Progress in national coordination on AML/CFT - Enhanced terrorism financing laws - Increased public-private cooperation (SAMLIT)
Areas for Improvement	- Beneficial ownership transparency - Supervision of high-risk sectors, particularly DNFBPs and fintech - Prosecution of money laundering and terrorist financing offences - Cross-border cash oversight	Same as 2021, with additional focus on ensuring effective implementation and enforcement of new regulations.

Financial Crime Risk Matrix

Crime Type	Risk Level*	Key Indices	Key High-Risk Sectors	Cross-Border Nexus
Financial Secrecy	Medium	Financial Secrecy Index 2024* 60/100 (47th globally) <i>*Secrecy index measures the level of financial secrecy, with 0 meaning no secrecy and 100 meaning maximum secrecy.</i>	Trust Providers, Legal Services, Krugerrand Dealers	Dubai, Mauritius, Seychelles
Tax Crime	Medium	Corporate Tax Haven Index 2024* Partially compliant 47/70 <i>Index ranks the world's biggest enablers of global corporate tax abuse, with scores ranging from 0 (no room for tax abuse) to 100 (unlimited room for tax abuse).</i>	Corporate Services, Mining, Financial Services	Mauritius, Bermuda, British Virgin Islands
Sanctions Evasion	Medium	OFAC and UK sanctions applied to South African-linked individuals. Grey-listing highlights weak implementation of targeted financial sanctions	Trade, Banking, Legal Services	UAE, Russia, Iran
Money Laundering	Medium-High	Basel AML Index 2024* 5.7/10 <i>*Basel AML Score is on a 10-0 scale, with 10 representing the maximum risk.</i> Global Organized Crime Index 2023* Financial Crime: 7.5/10 AML Resilience: 4.0/10 <i>*Global Organized Crime Index Score is on a 10-0 scale, with 0 denoting non-existent crime and 10 severe influence.</i>	Banking, Real Estate, Legal Services, Mining, Krugerrand Dealers	Dubai, China, Neighbouring SADC Countries

Crime Type	Risk Level*	Key Indices	Key High-Risk Sectors	Cross-Border Nexus
Cybercrime	Medium-High	National Cyber Security Index 2024* 95/160 <i>*Index measures the preparedness of countries to prevent cyber threats, with 100 representing the highest level of cybersecurity readiness</i> Global Organized Crime Index 2023* Cyber-Dependent Crimes: 7.5/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Financial Services, Healthcare, Critical Infrastructure	Eastern Europe, Asia- Pacific
Fraud	Medium-High	2024 South African Banking Risk Information Centre (SABRIC): Fraud on the rise Global Organized Crime Index 2023* Fraud – 7.0/10 <i>Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Banking, Telecommunications, E-Commerce, Corporate Sector	Dubai, Mauritius, Chinat
Modern Slavery & Human Trafficking	Medium-High	US Trafficking in Persons Report 2024: Tier 2 Walk Free Global Slavery Index*_ Vulnerability: 52/100 Governance Response: 53/100 <i>*Vulnerability score measures vulnerability to modern slavery with a greater score reflecting higher levels of vulnerability.</i> <i>*Governance score measures government response to modern slavery with a higher score reflecting stronger government response.</i> Global Organized Crime Index 2023* Human Trafficking: 7.5/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Agriculture, Fishing, Domestic Service, Construction	Zimbabwe, Malawi, Mozambique, Ethiopia

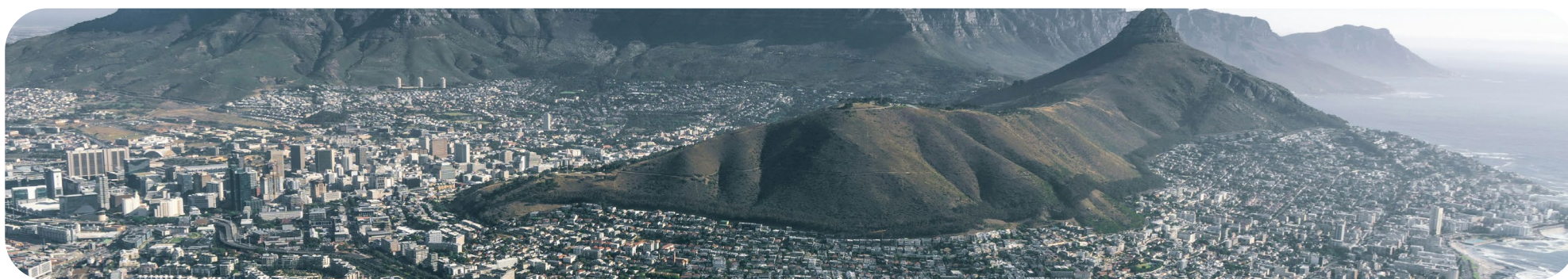
Crime Type	Risk Level*	Key Indices	Key High-Risk Sectors	Cross-Border Nexus
Drug Trafficking	High	Global Organized Crime Index 2023* Heroin Trade: 7.5/10 Cocaine Trade: 7.0/10 Synthetic Drug Trade: 8.5/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Logistics, Retail, Ports and Transport	Afghanistan, Mozambique, Nigeria
Bribery & Corruption	High	Transparency International Corruption Perceptions Index 2024* 41/100 (Ranked 82nd) <i>*Transparency International Corruption Perceptions Index score is the perceived level of public corruption, where 0 means highly corrupt and 100 means very clean.</i> Trace 2024 Bribery Risk Matrix* Rank 55th; Score 39/100 <i>*Trace measures business bribery risk with a lower score indicating a lower bribery risk, while a higher score indicating a higher bribery risk.</i> Global Organized Crime Index 2023* Government Transparency: 3.5/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i> Worldwide Governance Indicators* Control of Corruption: 45.75/100 <i>*The WGI represent a country's score and rank among all countries worldwide on each governance dimension.</i>	Public Procurement, State-Owned Enterprises, Construction	Dubai, China, BRICS Countries
Terrorist Financing	High	2024 National Risk Assessment: High Risk FATF 2021 MER: Non-Compliant on targeted financial sanctions Global Terrorism Index (GTI) 2025* Overall Score: 0/10 (Ranked 100 of 100) <i>*The GTI scores each country on a scale from 0 to 10; where 0 represents no impact from terrorism and 10 represents the highest measurable impact of terrorism.</i>	NPOs, Informal Remittance Providers, Cash-based Sectors	Mozambique, DRC, Somalia, Middle East

Arms Trafficking	High	Global Organized Crime Index 2023* Arms Trafficking: 8.0/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Transport & Logistics, Security Services	Central Africa, Mozambique
Environmental Crime	High	Global Organized Crime Index 2023* Flora Crimes: 5.0/10 Fauna Crimes: 8.0/10 Non-Renewable Resource Crimes: 8.0/10 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Mining, Wildlife Trade, Timber & Forest Products	East Asia, UAE, Regional Transit Routes

* Methodology: Each financial crime risk rating is derived from a combination of globally recognised indices and supplementary risk factors. Each index score is normalised and translated into a Red-Amber-Green (RAG) rating. Specifically, jurisdictions or entities are grouped based on their position within the distribution of index values, with the top, middle, and bottom third of scores per index corresponding respectively to Green, Amber, and Red (e.g. a 5/10 rating in one index would be equivalent to a 12/24 rating in another). Additional risk factors — such as enforcement actions, FATF evaluations, and our own Themis internal intelligence — also influence the final RAG classification through an overlay and adjustment process.



Areas of Financial Crime Vulnerability



- **Entrenched Corruption in Public Procurement:** State-owned enterprises and government procurement processes are heavily exposed to corruption, with repeated scandals involving senior officials and politically connected businesses.
- **Cash-Based and Informal Economy Risks:** Despite a developed financial sector, South Africa has high levels of cash usage and a significant informal economy, complicating efforts to track financial flows and enabling money laundering.
- **Cross-Border Illicit Flows:** South Africa's role as a regional financial hub exposes it to significant transnational crime risks, including drug trafficking from Afghanistan via Mozambique, and wildlife trafficking to East Asia.
- **Weak Beneficial Ownership Transparency:** Despite recent reforms, the beneficial ownership regime is inconsistently implemented and poorly enforced, making it difficult to trace true ownership of companies and trusts.
- **Vulnerable High-Risk Sectors:** Sectors such as mining (including illicit gold trade), gambling, real estate, and Krugerrand dealing face limited AML oversight and are exploited by criminal networks.
- **Trade-Based Money Laundering and Misuse of Trade Routes:** South Africa's sophisticated trade and logistics infrastructure is vulnerable to trade-based money laundering schemes and the movement of illicit goods.

Financial Crime Risk In-Depth

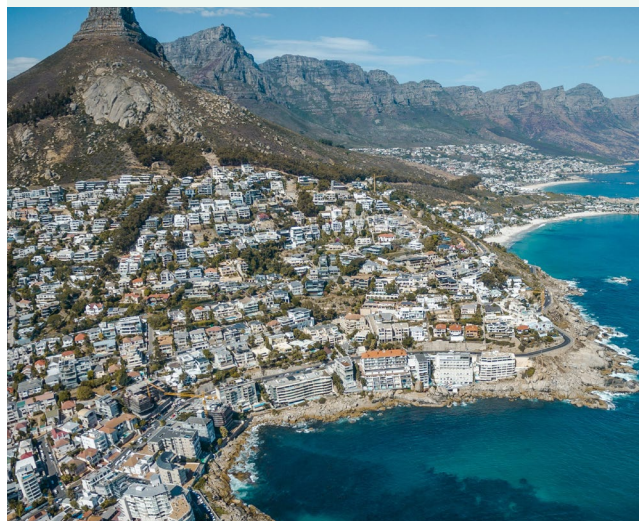
01 Money Laundering: Medium-High Risk

South Africa's financial system faces high money laundering risks, particularly from fraud, corruption, and tax crimes. The use of cash, weak beneficial ownership transparency, and informal remittance channels remain vulnerabilities. Real estate, Krugerrand dealers, and legal services are common laundering vehicles, and cross-border flows to Dubai and China further complicate risk exposure.



03 Terrorist Financing: High Risk

Terrorist financing is a significant concern, with South Africa's 2024 NRA identifying the country as highly vulnerable. Border insecurity, informal remittance channels and a weak implementation of targeted financial sanctions facilitate the flow of terrorist funds. Funds reportedly transit through South Africa to groups operating in Mozambique, Somalia, and the DRC.



02 Bribery & Corruption: High Risk

Corruption permeates South Africa's public sector, particularly in procurement and state-owned enterprises. High-profile scandals such as state capture by the Gupta family and fraud in COVID-19 procurement have exposed systemic weaknesses. Sectors most exposed include construction, defence, and public utilities.



04 Sanctions Evasion: Medium Risk

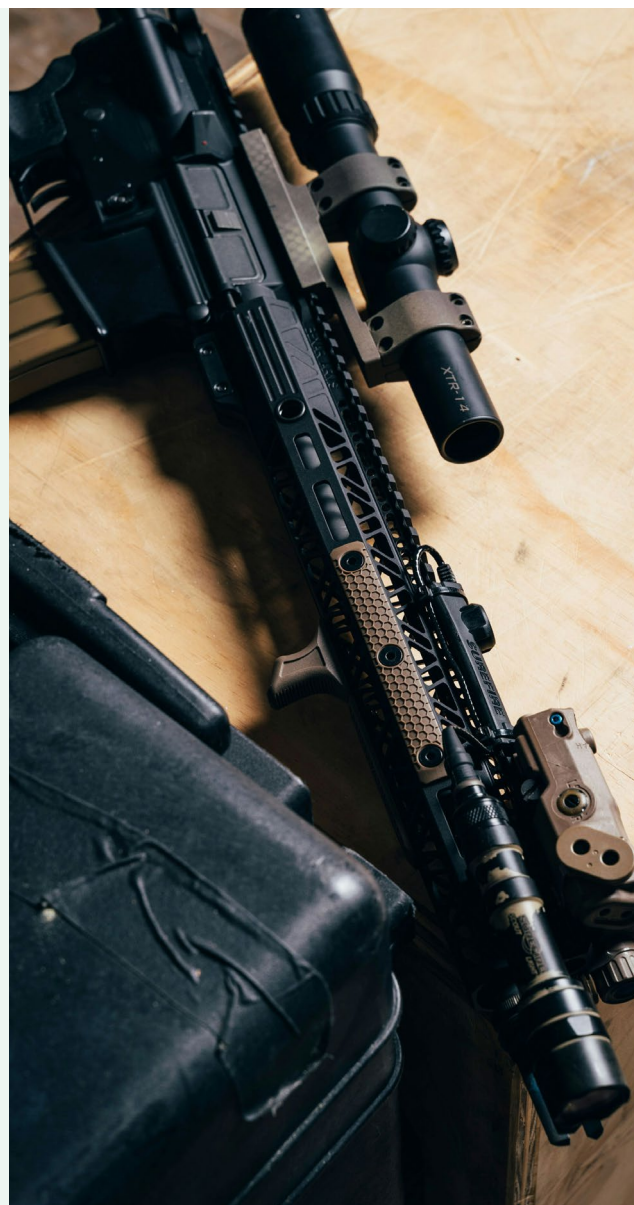
While no country-wide sanctions apply, several individuals and entities connected to corruption (notably the Gupta brothers) are designated. Gaps in sanctions screening and weak enforcement against third-party intermediaries facilitate sanctions evasion in trade and financial services.

05 Fraud: Medium-High Risk

Fraud is one of South Africa's most prevalent financial crimes, ranging from Ponzi schemes and investment fraud to SIM-swap and online banking fraud. Corporate fraud and procurement fraud are also systemic risks. Financial services and telecommunications sectors are frequent targets.

06 Modern Slavery & Human Trafficking: Medium-High Risk

Human trafficking for both labour and sexual exploitation is widespread, particularly affecting migrants from neighbouring countries. Sectors like agriculture, fishing, and domestic work are vulnerable, while ports and transit routes are used for smuggling.



07 Drug Trafficking: High Risk

South Africa is a major transit and consumer country for heroin and synthetic drugs. Criminal networks import precursor chemicals and narcotics, exploiting weak border controls. Illicit drugs fuel organised crime and present significant money laundering risks.

08 Cybercrime: Medium-High Risk

South Africa is a regional hotspot for cybercrime, particularly ransomware, digital extortion, and banking malware. Critical infrastructure, such as ports and hospitals, has been targeted in recent years. The Cybercrimes Act (2021) has improved the legal response, but enforcement lags.

09 Arms Trafficking: High Risk

South Africa has a significant illegal arms trade, acting as both a source and transit country. Firearms are trafficked from or through South Africa to conflict zones in Central and Southern Africa, often linked to gang violence and organised crime.

10 Tax Crime: Medium Risk

VAT fraud, income tax evasion, and profit shifting by multinational firms are common. While SARS has improved tax enforcement, weaknesses in corporate transparency and international cooperation remain. Offshore jurisdictions such as Mauritius and Bermuda are key conduits.



12 Financial Secrecy: Medium Risk

Despite moderate Financial Secrecy Index scores, enforcement of beneficial ownership transparency is weak, creating opportunities for tax evasion and laundering through trusts and corporate structures. The use of Krugerrand gold coins also presents a secrecy vulnerability.



11 Environmental Crime: High Risk

Wildlife trafficking (notably rhino horn and abalone, as well as succulent plants like cycads) and illegal mining are major criminal markets. Organised syndicates exploit weak environmental enforcement and launder proceeds through trade, retail, and financial services.



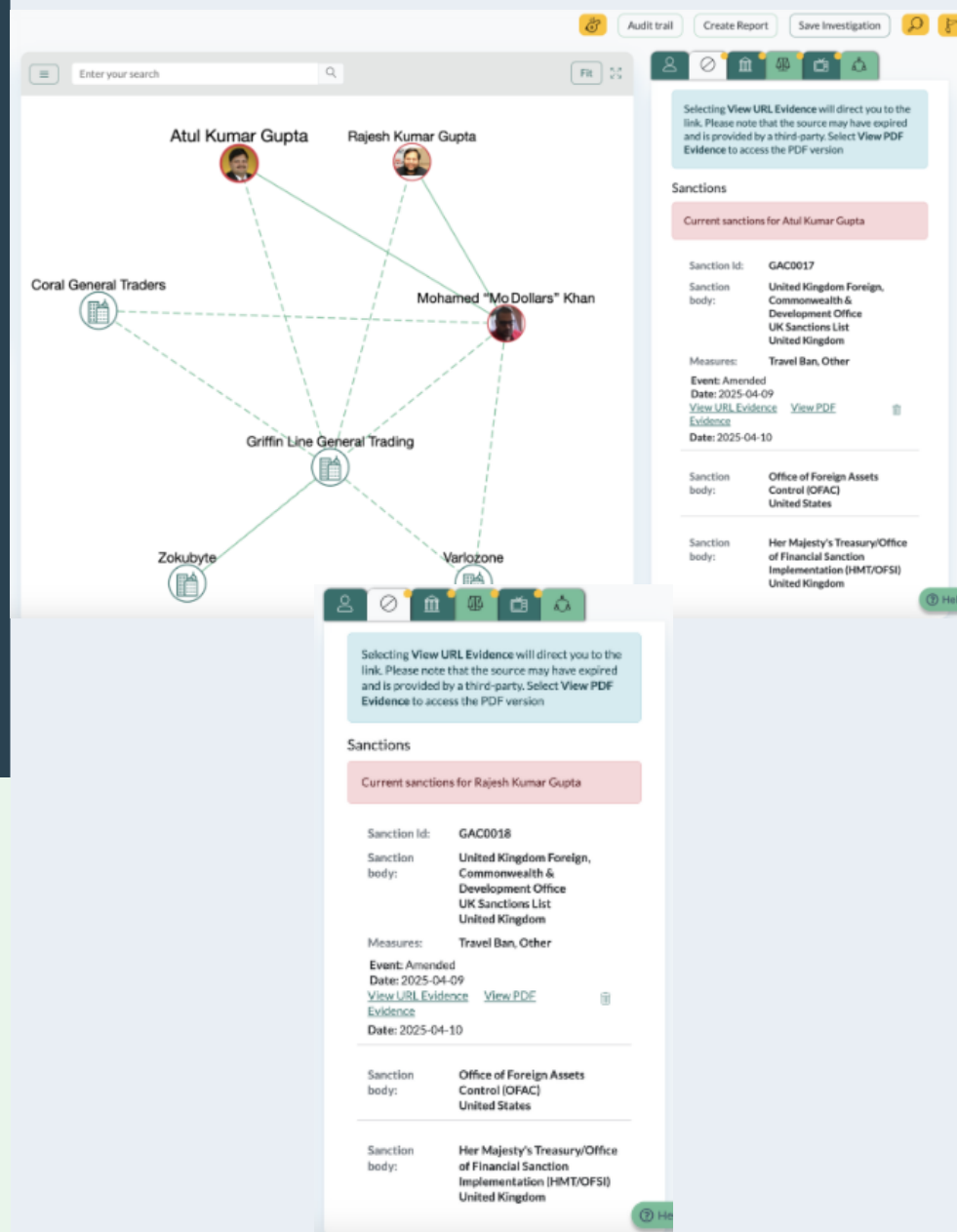
Case Study

The Gupta Brothers and State Capture

Ajay, Atul, and Rajesh Gupta, originally from India, built an extensive business empire in South Africa through strong political ties with former President Jacob Zuma and senior ANC officials. Their companies, including Oakbay Investments and Sahara Computers, secured lucrative government contracts through bribery and favouritism. The Gupta network laundered illicit proceeds through a web of shell companies and international jurisdictions, including Dubai and India. The Zondo Commission, established to investigate state capture, identified the Guptas' role in manipulating public procurement processes across multiple state-owned enterprises, including Transnet, Eskom, and the Government Communication Information System (GCIS). The Guptas and associates were later sanctioned by the US and UK governments under anti-corruption measures.

KEY TAKEAWAYS:

- The Gupta case demonstrates systemic corruption and political interference in public procurement.
- It highlights the use of shell companies, trusts, and cross-border financial flows to launder illicit funds.
- The case exposes weaknesses in beneficial ownership transparency and procurement controls.
- It shows the failure of enforcement bodies to prevent or prosecute high-level financial crime.



Case Study

VBS Mutual Bank Collapse

In 2018, VBS Mutual Bank collapsed after more than 2 billion Rand (approximately £110 million) was looted by executives, municipal officials, and politically connected individuals. The bank's former chairperson, Tshifhiwa Matodzi, was sentenced to 15 years in prison for his role in the scheme. The scam stretched from impoverished rural villages all the way to government circles, and defrauded ordinary South Africans. In total, the collapse devastated 14 municipalities and countless individual depositors—many of them elderly—who lost their life savings.

For many years, VBS was a modest institution—a mutual bank, largely owned by its depositors, that served rural communities living on land governed by traditional leaders. However, VBS was allegedly transformed into a slush fund for corrupt politicians, local government officials, and their business allies—through what has been described as a brazen and complex pyramid scheme.

The bank's executives were accused of bribing officials in some of South Africa's poorest and most mismanaged municipalities, persuading them to deposit public funds—or to pretend to—into VBS in exchange for cash and luxury gifts. The funds were embezzled through fraudulent deposits, sham investments, and personal accounts. A KPMG auditor and multiple municipal treasurers were implicated. The scheme exploited gaps in municipal investment regulations and AML supervision of small banks.

It was only after South Africa's central bank intervened and placed VBS under administration that the full scale of the alleged looting and political collusion came to light.

KEY TAKEAWAYS:

- The case illustrates how weak supervision of small financial institutions and local governments creates opportunities for financial crime.
- It highlights the use of fraudulent financial reporting and municipal investments to misappropriate funds.
- It exposes the nexus between politically exposed persons and financial crime.
- The case underscores the importance of robust AML controls for smaller financial institutions.

The screenshot displays a digital investigation platform. At the top, there are navigation buttons: 'Back', 'Audit trail', 'Create Report', and 'Save Investigation'. A search bar is present with the placeholder 'Enter your search'. Below the search bar, a network diagram shows 'VBS Mutual Bank' at the center, connected to several individuals: Andile Masei Ramavhanga, Tsakani Charlotte Ngobeni, Philippus Nicholas Truter, Tshifhiwa Calvin Matodzi, Phalaphala Anthoni Ramikosi, Tshifhiwa Ernest Nesane, and Takunda Edgar Mcheka. A sidebar on the left shows the 'VBS Mutual Bank' profile with details: Company No., Jurisdiction: South Africa, and Address: 82 Wessels Road, Metropolitan Office Park, Block G/First Floor, Rivonia, Johannesburg, Gauteng Province, South Africa, 2191. The main content area shows the profile of 'Tshifhiwa Calvin Matodzi' with a photo and a 'Clear' button. Below the profile, there are sections for 'Adverse Media' and 'Law Enforcement'. The 'Adverse Media' section reports that adverse media has been reported against VBS Mutual Bank. The 'Law Enforcement' section reports that law enforcement has been reported against Tshifhiwa Matodzi. It includes details about a sentence of 15 years imprisonment for violations of laws and regulations, dated 2024-07-10. The interface also includes a 'Help' button in the bottom right corner.

Key Financial Crime Watchpoints

The following watchpoints highlight common financial crime risk indicators to lookout for as regards clients, partners, suppliers, and broader business transactions and relationships. They are designed to support client risk assessments, enhanced due diligence and transaction monitoring by identifying patterns frequently associated with financial crime in South Africa.

- Opaque Ownership Structures:** Be alert to clients or counterparties using trusts, layered company structures, or Krugerrand dealers to obscure beneficial ownership, particularly where linked to PEPs or high-risk sectors.
- High-Risk Sectors:** Transactions involving mining, gambling institutions, real estate, and gold should be scrutinised closely given elevated money laundering and corruption risks.
- Public Procurement and State-Owned Enterprises:** Enhanced due diligence is essential when dealing with contracts or partnerships involving state entities or procurement processes—high-risk areas for bribery and fraud.
- Cross-Border Transactions:** Pay particular attention to payments routed through Dubai, China, and SADC neighbours, which are frequently used conduits for laundering illicit proceeds from drug trafficking, environmental crime, and corruption.
- Cash-Based Transactions and Informal Remittances:** Watch for large cash deposits, cross-border cash movements, or informal remittance channels that may signal laundering activity, particularly in sectors such as retail, real estate, and financial services.
- Sanctioned Individuals and Entities:** Ensure thorough screening against US, UK, and EU sanctions lists, especially in light of designated South African individuals (e.g. the Gupta brothers) and potential exposure through trade and financial links.



How Themis Can Help

Financial crime has evolved faster than traditional systems. Themis delivers a new AI-powered, end-to-end platform purposebuilt to help businesses detect, prevent, and respond to threats in real time. A modular solution that fuses advanced analytics, automation, and proprietary intelligence to tackle risk at scale and fast. As financial crime becomes more complex, Themis delivers clarity, speed, and impact. This isn't an evolution. It's the platform the future demands — powered by data, powered by Themis.

Themis aims to be a leader in applying AI-led solutions to the problems of financial crime, and we are uniquely placed to do so. With strong working relationships with governments and businesses of many shapes and sizes, our software is developed with the needs of the whole financial crime compliance ecosystem in mind. By combining a focus on innovative technology with

leading human intelligence and insight, Themis is capable of not only meeting those needs as they currently are but also anticipating them as they evolve in an uncertain future.

Our Reports and Services

Enjoyed this briefing? Keen for a more detailed analysis that's specific to your business? We deliver longer, bespoke reports and executive briefings about specific countries or sectors. Whether you're investing in new markets, expanding your own footprint or ensuring your financial crime country risk assessments align with the Wolfsberg Group's principles, our Risk Intelligence team can help. We specialise in complex, strategic projects where financial crime risks are new, emerging, or poorly understood.

Get in touch to find out more.

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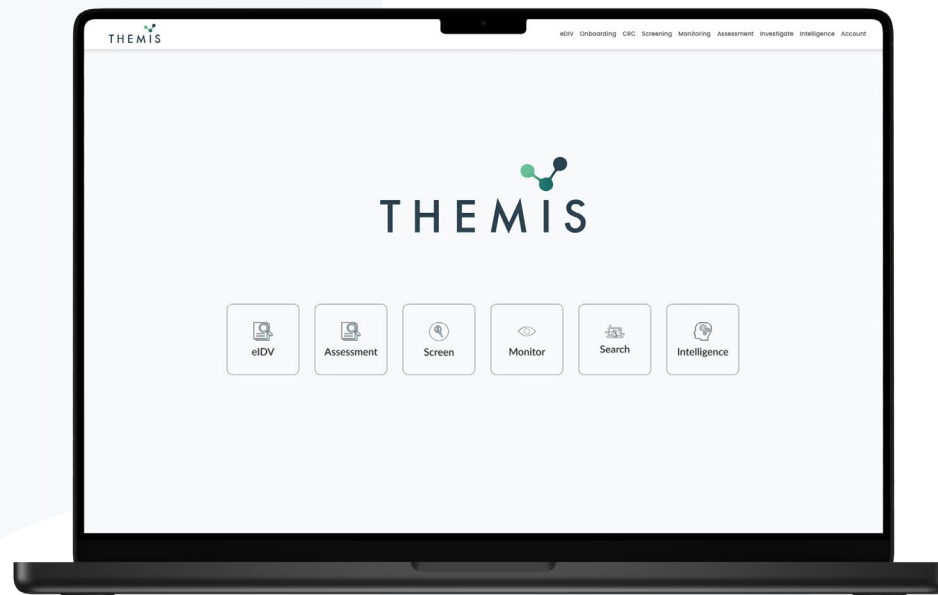
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