



Banking, Finance & Projects

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SOUTH AFRICA

- Out of the greylist and into the light: A step forward in financial transparency



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Out of the greylist and into the light: A step forward in financial transparency

On 9 January 2026, the European Union (EU) announced the removal of South Africa, along with five other African countries (Burkina Faso, Mali, Mozambique, Nigeria and Tanzania), from its list of "High-Risk Third Country Jurisdictions" (EU List). This decision follows South Africa's earlier delisting on 13 October 2025 from the Financial Action Task Force (FATF) greylist (countries under increased monitoring) and the UK's list of countries with a high-risk propensity for money laundering and terrorism financing. The decision to delist South Africa reflects our country's continued progress towards improved financial transparency and strengthening its Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) framework. The decision to delist South Africa took effect on 29 January 2026.

Background

In February 2023, South Africa was placed on the FATF greylist due to significant deficiencies in its AML/CFT framework. A 2021 FATF evaluation highlighted that the country failed to meet 20 out of the 40 recommendations relating to the investigation and prosecution of financial crimes. This greylisting had serious implications, affecting cross-border transactions, banking relationships and investor confidence across the Southern African Development Community region.

In August 2023, as a result of the greylisting, South Africa was added to the EU List in terms of Article 9(1) of Directive (EU) 2015/849, which mandated stricter scrutiny of transactions involving South Africa. Financial institutions faced enhanced due diligence requirements, leading to increased transaction costs and delays.

Commitment to reform

In true South African "*maak 'n plan*" spirit, South Africa committed to a joint [Action Plan](#) with the FATF, outlining 22 specific steps to address strategic deficiencies in its AML/CFT system. National Treasury co-ordinated this reform process, which involved multiple government departments and regulatory agencies. Over two years, South Africa successfully implemented all 22 action items, demonstrating significant progress in combating money laundering and terrorism financing.



Economic impact of delisting

The EU's decision to delist South Africa is expected to reduce compliance pressure in cross-border transactions and restore investor confidence. During the greylisting period, the South African Reserve Bank reported that foreign counterparties imposed stringent measures on domestic institutions, leading to higher transaction costs and slower deal execution.

Financial markets had anticipated the delisting, as evidenced by the stability of the rand and government bond yields during 2024–2025. Even while greylisted, South Africa attracted steady direct foreign investment, suggesting that its economic fundamentals remained strong.

Looking ahead

Even though South Africa has been removed from the FATF greylist and the EU List, it is important to note that the removal does not mean that all South Africa's AML/CFT challenges have been resolved. Continuous focus is essential to enhance compliance systems, ensuring that improvements are not merely temporary fixes. As South Africa prepares for a new round of evaluation by the FATF, it is crucial to incorporate lessons learned from the previous evaluation process. The final report from this evaluation is expected in October 2027, and maintaining high standards will be essential to avoid potential relisting.

Thato Sentle, Kgabi Moeng and Levy Lekganyane



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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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