

Financial crime watchdog adds South Africa, Nigeria to "grey list"

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International financial crime watchdog the Financial Action Task Force (FATF) on Friday said it was adding South Africa and Nigeria to its so-called "grey list" of countries under special scrutiny to implement standards to prevent money laundering and terrorism financing.



Cars drive past Nigerian national flags in Abuja, Nigeria 12 June 2021. Reuters/Afolabi Sotunde

The FATF is an inter-governmental organisation that underpins the fight against money laundering and terrorism financing by setting global standards and checking if countries respect them.

Paris-based FATF said the two countries were added to its list following a review.



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Being added to the grey list is a reputational knock for the South African government, which has been trying to address shortcomings identified by the FATF.

Analysts say it could also mean South African clients at international financial institutions will be subject to enhanced due diligence checks. It could also complicate South African attempts to access funding and support from multilateral development institutions and official lenders.

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