

FSCA REGULATORY ACTIONS REPORT

1 APRIL 2024 -
31 MARCH 2025



Financial Sector
Conduct Authority



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ABBREVIATIONS

AFU	Asset Forfeiture Unit
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
Banks Act	Banks Act, No. 94 of 1990
CISCA	Collective Investment Schemes Act, No. 45 of 2002
CRS Act	Credit Rating Services Act, No 24 of 2012
FAIS	Financial Advisory and Intermediary Services
FAIS Act	Financial Advisory and Intermediary Services Act, No. 37 of 2002
FAIS General Code	General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003
FIC	Financial Intelligence Centre
FIC Act	Financial Intelligence Centre Act, No. 38 of 2001
FMA	Financial Markets Act, No. 19 of 2012
Friendly Societies Act	Friendly Societies Act, No. 25 of 1956
FSCA	Financial Sector Conduct Authority
FSP	Financial Services Provider
FSR Act	Financial Sector Regulation Act, No. 9 of 2017
Insurance Act	Insurance Act, No. 18 of 2017
LTIA	Long-term Insurance Act, No. 52 of 1998
MOU	Memoranda of Understanding
NCR	National Credit Regulator
NPA	National Prosecuting Authority
ODPs	Over-the-counter-derivative providers
Pension Funds Act	Pension Funds Act, No. 24 of 1956
SAPS	South African Police Services
STIA	Short-term Insurance Act, No. 53 of 1998



EXECUTIVE SUMMARY



This report presents the FSCA's enforcement activities for the period **1 April 2024 to 31 March 2025**. It is the **third consecutive year** the FSCA has published a Regulatory Actions Report. Where relevant, comparative data from previous years is included to provide context and highlight emerging trends.

The FSCA remains steadfast in its commitment to addressing misconduct and promoting positive outcomes for financial customers and markets. **Enforcement actions continue to be guided by principles of timeliness, transparency, fairness, effectiveness, and consistency.**

At the core of the FSCA's enforcement mandate is its **strategic objective to uphold confidence and integrity in the financial sector and protect financial customers**. A dedicated Enforcement Division, comprising professionals across various levels and disciplines, leads investigations and enforces financial sector laws. **The Division primarily targets misconduct and material non-compliance by regulated entities**. Where resources allow, it also investigates unregistered financial services businesses.

Case selection is driven by **strategic priorities** including the potential impact of publicised sanctions, with a focus on misconduct by regulated entities and risks to vulnerable customers.

Looking ahead, the FSCA is preparing for the **implementation of the Conduct of Financial Institutions Bill (Cofi Bill) and the rollout of the FSCA's Integrated Regulatory System**, both of which will enhance enforcement capabilities.

During the reporting period, the FSCA:

- Imposed **51 administrative penalties** totalling **R119 829 523**
- **Debarred 131** individuals
- Suspended **24 licences**
- Withdrew **382 licences**
- Issued **13 directives**
- Entered into **14 enforceable undertakings**
- Finalised **633 investigations**
- Issued **107 public warnings**



The majority of penalties—in value and number—related to **FAIS and AML contraventions** combined. Over 90% of licence withdrawals were due to non-submission of statutory returns. Most debarments stemmed from dishonest conduct, particularly the submission of false policies. Directives primarily addressed AML contraventions.

The FSCA issued **107 public warnings** in response to unauthorised or unlawful activities, mainly involving unlicensed entities offering investment or trading opportunities, impersonations of celebrities, FSPs, and FSCA personnel.

Enforceable undertakings remain a key tool in addressing misconduct in the funeral parlour industry, with 14 signed during the year.

The FSCA received 767 new cases and finalised 633, ending the year with 494 open cases. This represents a significant increase from previous years. Notably, **over 70% of new cases involved unregistered financial services and insurance businesses**, with unregistered insurance cases alone increasing by more than **134%**.

The FSCA's cross-border enforcement capabilities are strengthened by its membership in IOSCO, participation in the IOSCO MMOU and eMMOU, and **86** bilateral MOUs. These partnerships enhance its ability to combat transnational financial misconduct. The FSCA prioritises high-quality assistance to international counterparts.

Domestically, the FSCA continued to collaborate with key regulatory bodies, including the Prudential Authority, FIC, National Consumer Commission, NCR, SAPS, the Hawks, and the NPA.

The FSCA co-hosted the 4th South African Financial Crime Symposium with North-West University, convening **123 delegates** from law enforcement, regulatory bodies, academia, and the private sector. The symposium led to several collaborative projects addressing financial crime.

Litigation challenging the FSCA's investigative powers by the former managing director of a subsidiary of Tongaat Hulett Limited was concluded. On **7 February 2024, the full bench of the High Court ruled in favour of the FSCA**, with both the Supreme Court of Appeal and Constitutional Court later denying leave to appeal, awarding costs to the FSCA in both instances.

During the year, 47 applications for reconsideration of FSCA decisions were lodged with the Financial Services Tribunal. Of the 34 cases finalised, the FSCA's decision was upheld by the Tribunal in 11 cases, 3 were withdrawn, and 20 were resolved through consent orders.

The FSCA continues to address emerging risks, particularly online scams promoted via social media, unregulated ODP providers, impersonations, deepfake advertisements, influencers, copy trading, and signal providers.

Other **key enforcement focus areas** include **unregistered insurance business, FAIS regulatory examination fraud, and non-compliance with AML risk frameworks.**



PART I: INTRODUCTION AND SUMMARY OF ENFORCEMENT INTERVENTIONS

1. INTRODUCTION

Reporting Period and Context

- 1.1 This report outlines the FSCA's enforcement activities for the period 1 April 2024 to 31 March 2025. It marks the third consecutive year that the FSCA has published a Regulatory Actions Report. Where applicable, the report includes comparative statistics from previous years to provide context and highlight trends.

Purpose and Commitment

- 1.2 As with previous editions, this report not only reflects on our enforcement efforts over the past financial year but also helps shape our future focus areas. The FSCA remains committed to addressing misconduct and promoting positive outcomes for customers and financial markets. We continue to pursue enforcement actions that are timely, meaningful, transparent, efficient, fair, and consistent.
- 1.3 The FSCA takes enforcement action to achieve several key objectives: changing the behaviour of the individuals subject to intervention, deterring future non-compliance by others, eliminating financial gain from misconduct, and, where practical, remedying the harm caused by non-compliance. These efforts collectively aim to protect financial customers and enhance market integrity. This report supports our objectives by making the FSCA's enforcement efforts more visible and transparent.

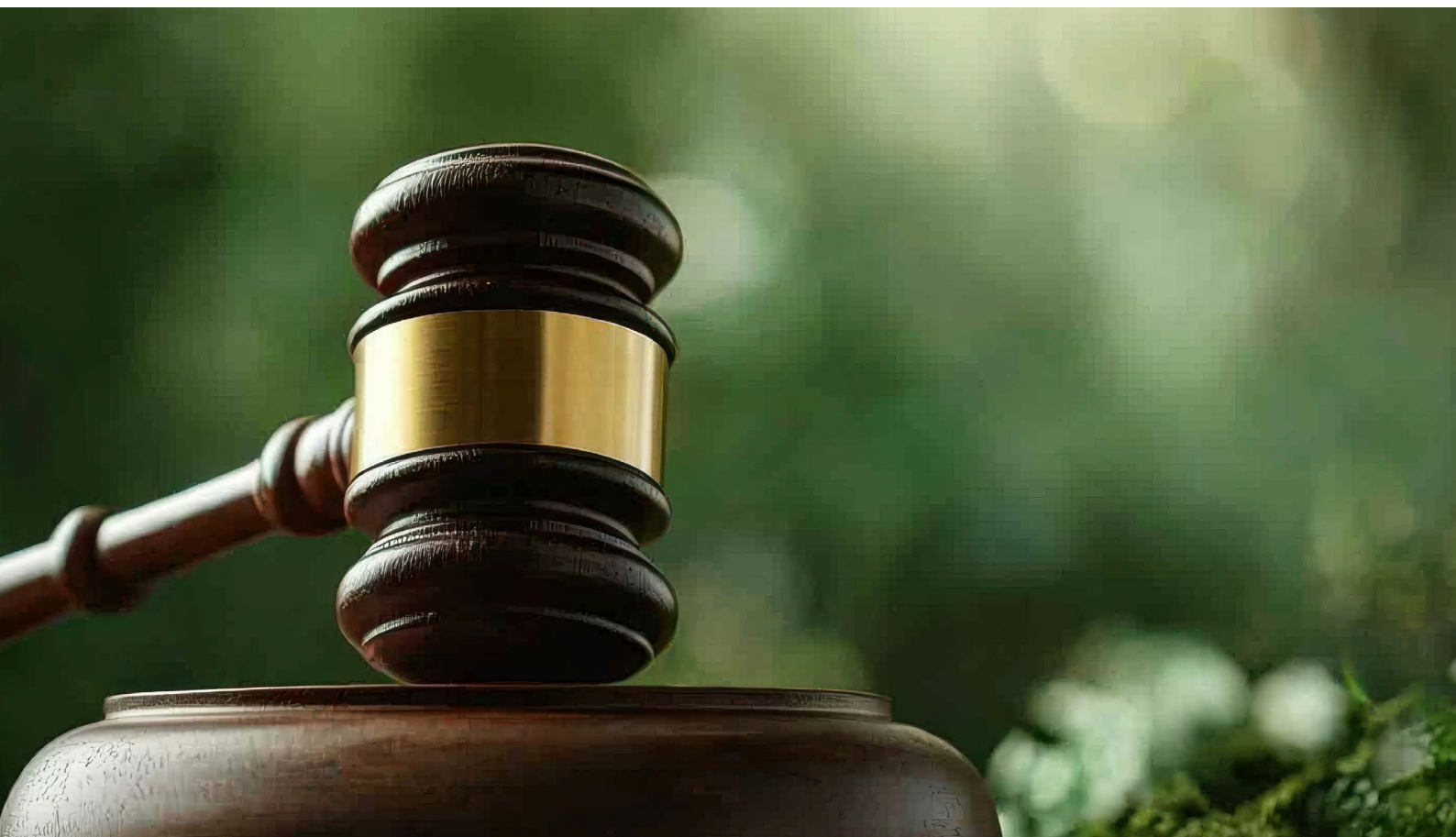
2. ENFORCEMENT STRATEGY

- 2.1 The FSCA's strategic plan is anchored in five strategic objectives, each with defined outcomes. Central to its enforcement mandate is the objective of acting against misconduct to uphold confidence in the financial sector and to ensure market integrity. This aligns with the FSCA's legislative and policy mandate, which includes the protection of financial customers. A key measure of success is the extent to which the financial system delivers fair outcomes for customers, particularly regarding the fairness and suitability of financial products and services.
 - 2.2 While enforcement is a shared responsibility across all FSCA divisions, a dedicated Enforcement Division leads the investigation of misconduct and the enforcement of financial sector laws. This division comprises professionals with the required skills at various levels, including assistant investigators, investigators, senior investigators, senior managers, and department heads.
 - 2.3 The division primarily focuses on misconduct and material non-compliance by regulated entities. However, where resources permit, it also investigates unregistered financial services businesses. Given the resource-intensive nature of investigations, the FSCA adopts a pre-emptive, outcomes-
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focused, and risk-based approach. This ensures that resources are allocated to matters that pose the greatest risk to the FSCA's objectives, as outlined in its founding legislation.

- 2.4 The FSCA is committed to executing its enforcement responsibilities without fear, favour, or prejudice, in line with its legislative mandate. Case selection is guided by the need to focus on core priorities and to maximise impact of sanctions, with particular emphasis on misconduct by regulated entities and potential harm to vulnerable financial customers. Close collaboration with the FSCA's Supervision and Licensing Divisions ensures effective information sharing.
- 2.5 To enhance credible deterrence, all sanctions imposed are published, reinforcing the FSCA's commitment to visible enforcement.
- 2.6 A growing area of focus is the rise of online harm. The widespread reach of social media has elevated this issue to a top enforcement priority. The FSCA continues to educate and warn consumers about scams and collaborates internationally with other financial regulators to combat this threat. These efforts contribute to poverty reduction by empowering the public to avoid financial scams.
- 2.7 Looking ahead, the FSCA is preparing for the implementation of the Conduct of Financial Institutions Bill. This legislative reform aims to consolidate various conduct-related financial sector laws and will significantly influence the FSCA's enforcement approach. The successful rollout of the Integrated Regulatory System will further strengthen enforcement capabilities by providing investigation teams with immediate access to critical information.

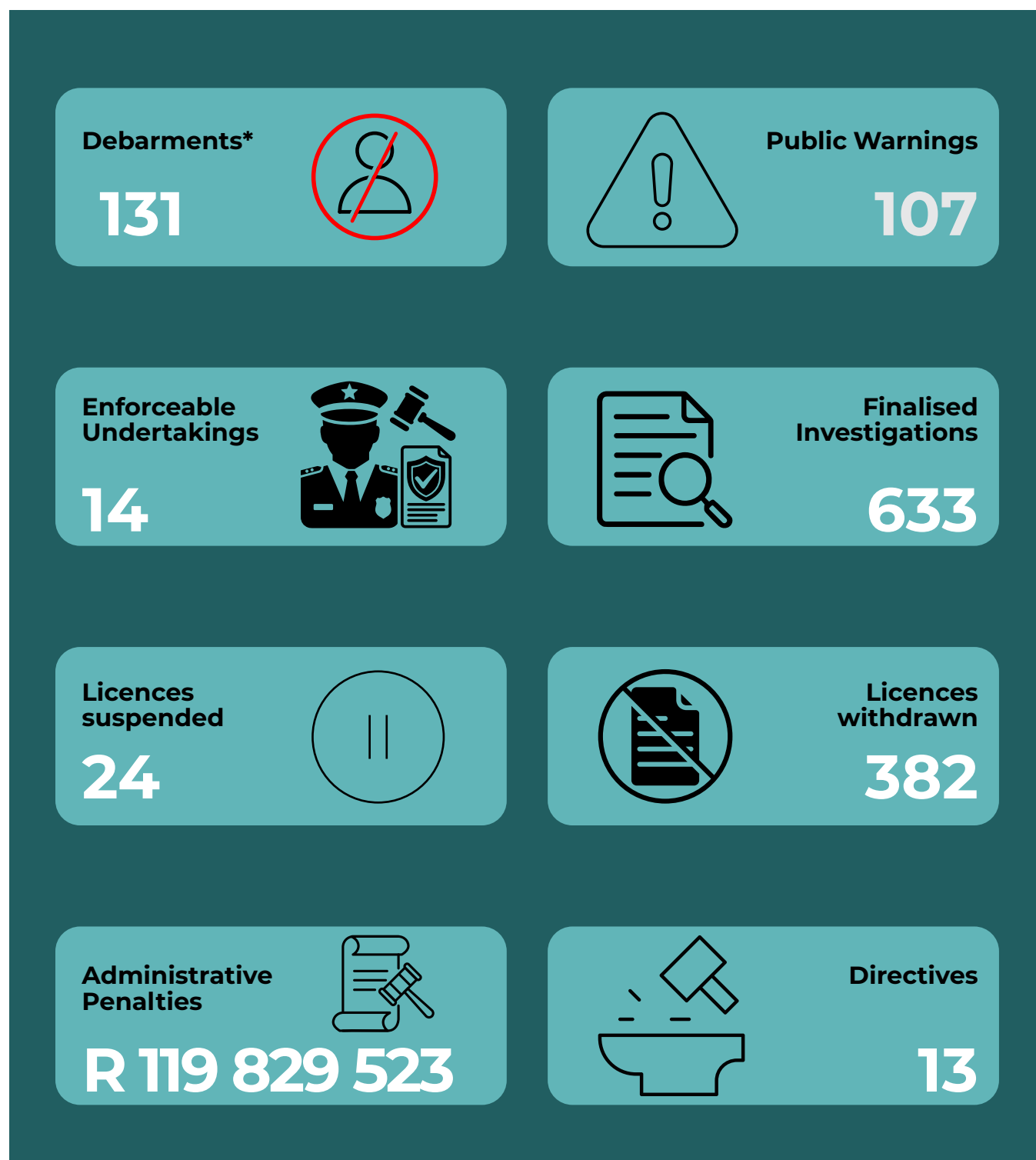




3. SUMMARY OF ENFORCEMENT INTERVENTIONS

3.1 The enforcement interventions taken by the FSCA during the period 1 April 2024 to 31 March 2025 are summarised in Figure 1 below. The statistics are further detailed in Part II of this report, with comparative figures for the previous year provided where possible.

Figure 1: Summary of FSCA enforcement interventions



*This number excludes debarments by FSPs



PART II: COOPERATION AND COLLABORATION WITH INTERNATIONAL AND DOMESTIC REGULATORY BODIES

4. INTERNATIONAL COOPERATION

- 4.1 Cross-border investigations form an essential part of in today's interconnected financial system. As financial crimes and regulatory contraventions increasingly span multiple jurisdictions, the ability of regulators to investigate across borders is critical for several key reasons. Financial crimes sometimes involve obfuscation through complex international networks and the layering of transactions through offshore entities. This is especially true in the realms of market abuse and harmful online trading schemes.
 - 4.2 Cross-border collaboration also enhances intelligence sharing that assists financial regulators in identifying patterns and connections that would be invisible within a single jurisdiction. Another valuable consequence of international collaboration is the opportunity to harmonise regulatory standards and to focus on international best practice.
 - 4.3 The work done at IOSCO is essential for maintaining the integrity of the global financial system and to ensure that no jurisdiction provides a safe haven from which to conduct illegal financial activity.
 - 4.4 Cross-border investigations face challenges relating to jurisdictional authority, data privacy laws, and language barriers. However, through membership such as IOSCO and being a signatory to the IOSCO MMOU and its eMMOU, the FSCA can overcome these hurdles and coordinate more effectively with foreign regulators. The FSCA has, over the years, signed bilateral MOUs with 86 countries.
 - 4.5 Providing high quality assistance to foreign counterparts is a priority that the FSCA will continue to uphold, seeking new and innovative ways to operate more efficiently. As an example, the secure file transfer systems used by some regulators are sometimes cumbersome, and the implementation of a much simpler communication protocol with one foreign regulator during the past year has shown that there is benefit to a simpler, secure system. Where possible, the FSCA will explore the possibility of simplifying the secure communication mechanisms with other counterparts.
 - 4.6 During the reporting period, the FSCA made several requests to foreign regulators to assist with ongoing FSCA investigations and similarly provided investigation assistance to foreign counterparts to assist with their investigations. Additionally, the FSCA proactively and on an unsolicited basis, provided foreign regulators with information on suspected misconduct or other relevant information to help secure compliance with laws in their jurisdictions. Tables 1 and 2 outline the number of requests received and made during the reporting period, along with unsolicited information provided and received by the FSCA, excluding requests for verification of good standing.
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Table 1: Requests for assistance

Requests for Assistance	2022/ 2023	2023/ 2024	2024/ 2025
Requests for assistance made by the FSCA to Foreign Regulators	16	23	45
Requests for assistance made by Foreign Regulators to the FSCA	7	11	10

Table 2: Sharing of unsolicited information

Unsolicited Information	2022/ 2023	2023/ 2024	2024/ 2025
Unsolicited information provided by FSCA to Foreign Regulators	15	3	8
Unsolicited information received by FSCA from Foreign Regulators	7	8	13

5. INTER-AGENCY COLLABORATION AND LAW ENFORCEMENT SUPPORT

Domestic Regulatory Cooperation

5.1 The FSCA continued to strengthen its collaboration with key domestic regulatory bodies, including the Prudential Authority, FIC, National Consumer Commission, and the National Credit Regulator (NCR). During the reporting period, the FSCA actively exchanged information and facilitated mutual assistance through 14 bilateral and multilateral MOUs.

Engagement with Law Enforcement

5.2 The FSCA maintained and expanded its cooperation with the South African Police Service (SAPS)—particularly the Directorate for Priority Crime Investigation (DPCI), commonly known as the Hawks—as well as the National Prosecuting Authority (NPA). These partnerships are critical to ensuring visible enforcement and credible deterrence. The FSCA remains committed to supporting the SAPS and the NPA in matters under criminal investigation and prosecution.

5.3 During the review period, the FSCA referred 40 cases to SAPS that fell within the jurisdiction of the criminal authorities and therefore did not undergo full investigation by the FSCA. The Authority is currently assisting with five active criminal investigations and/or prosecutions.

Strengthening Formal Cooperation

5.4 The FSCA is in the process of finalising a memorandum of understanding on mutual assistance with both the Hawks and the NPA. Additionally, discussions are underway with the Hawks to explore the investigation of cases involving employers with arrear contributions to in pension funds.



The fourth annual Financial Crime Symposium (March 2025)

- 5.5 The fourth annual South African Financial Crime Symposium, a joint initiative of the FSCA and the North-West University, brought together 123 delegates from law enforcement, regulatory bodies, academia, and the private sector to address the evolving landscape of financial crime in South Africa. Some new attendees joined the discussions such as the Communications Risk Information Centre, the Legal Practices Council, and the Department of Home Affairs.
- 5.6 The event featured interactive, solution-oriented panel discussions conducted under Chatham House Rules, fostering open dialogue and high engagement. The format encouraged practical solutions and future co-operation, with many opportunities for networking and collaboration. Notably, the symposium included international contributions, adding a valuable global perspective.
- 5.7 Key themes of the confidential discussions included:
- The role of the newly established Investigating Directorate Against Corruption
 - The integration of Artificial Intelligence in AML efforts
 - Operational responses to kidnapping and extortion
 - Combating technology-enabled crimes such as social engineering and online scams
 - Safety and risk management for investigators, regulators, and law enforcement personnel.
- 5.8 Suggestions for future topics included enhanced whistle-blower protection and practical applications of AI in financial crime prevention.
- 5.9 Several multi-entity collaborative projects were initiated as part of the symposium's extended work programme, including disruption of scams, a communication project for the public to understand where to lodge complaints, research project on victim compensation, and a training programme for the use of AI in detection, investigation and prosecution of financial crime.
- 5.10 To extend the symposium's impact, a dedicated website was launched to improve public engagement and provide ongoing access to programme content and contact information.





PART III: OVERVIEW OF STATISTICS PER ENFORCEMENT INTERVENTION

6. ENFORCEMENT POWERS

Legislative Authority

- 6.1 The FSR Act grants the FSCA broad powers to fulfil its mandate and take enforcement action against individuals and entities that breach the laws under its supervision. In addition, as a supervisory body under the FIC Act, the FSCA is authorised to impose sanctions for non-compliance with AML and CFT obligations.

Enforcement Approach

- 6.2 The FSCA applies enforcement and intervention powers in a manner that effectively addresses misconduct while also serving as a deterrent to others. The enforcement and intervention measures undertaken during the reporting period are detailed in the sections that follow.

7. INVESTIGATIONS¹

- 7.1 The FSCA is empowered with a wide array of investigative tools to conduct investigations into potential breaches of the law. These powers include conducting interviews under oath, issuing subpoenas to produce documents, and, where appropriate, executing search and seizure operations under judicially authorised warrants.
- 7.2 Cases that have the greatest impact on financial customers—particularly those involving vulnerable individuals or suspected misconduct by regulated entities—continue to be prioritised by the FSCA.
- 7.3 In the investigation into possible false and misleading statements published by Tongaat Hulett Limited (Tongaatt) during the 2017 and 2018 financial years, the erstwhile managing director of a subsidiary of Tongaat refused to be interviewed unless granted prior access to all documents and evidence in the FSCA's possession. The FSCA declined this request, and the investigated parties approached the High Court, to declare the investigation procedurally unfair. The litigation has now been finalised, and the outcome is discussed in the Tongaat case study.

¹ Sections 134 to 139 of the FSR Act sets out the FSCA's investigation powers.

**Box 1: Deighton judgment – Tongaat Hulett investigation****CASE STUDY****UPDATE ON TONGAAT HULETT INVESTIGATION****FSCA's investigative integrity upheld as Constitutional Court declines Mr Deighton's Appeal**

The Constitutional Court of South Africa has declined to grant Mr Michael Edward Deighton leave to appeal against a decision by the full bench of the High Court, Gauteng Division, Pretoria, delivered on 7 February 2024. This marks a significant affirmation of the FSCA's investigative processes.

Background

The FSCA is investigating alleged contraventions of section 81 of the FMA, relating to false and misleading statements published by Tongaat Hulett Limited during the 2017 and 2018 financial years. Mr Deighton, then Managing Director of Tongaat Hulett Developments (Pty) Ltd—a subsidiary of the listed entity—was identified as one of several senior executives implicated in questionable accounting practices. These included the backdating of land sale agreements to prematurely recognise revenue.

Initial Legal Challenge

During the FSCA's investigation, Mr Deighton refused to be interviewed unless granted prior access to all documents and evidence in the FSCA's possession. The FSCA declined this request, citing procedural norms. Mr Deighton subsequently approached the High Court, which on 8 July 2022 ruled in his favour, declaring the investigation procedurally unfair.

Appeal and Overturning of the Ruling

The FSCA appealed the decision. On 7 February 2024, the full bench of the High Court overturned the earlier ruling, finding that:

- There was no legal basis for demanding prior access to investigative documents.
- Mr Deighton suffered no prejudice from the lack of such access.
- Disclosure at that stage could have compromised the integrity of the investigation.
- The FSCA's approach was consistent with its statutory investigative mandate.
- Midstream judicial review is only justified in cases of grave injustice, which was not demonstrated.

Supreme Court of Appeal and Constitutional Court Outcomes

Following the High Court's ruling, Mr Deighton sought special leave to appeal to SCA, which was denied with costs awarded to the FSCA. Mr Deighton approached the Constitutional Court, arguing that the FSCA's investigation was procedurally unfair and should be set aside. On 2 June 2025, the Constitutional Court dismissed the application, citing its premature nature and lack of prospects for success. Costs were again awarded in favour of the FSCA.

Significance of the Judgment

This judgment reinforces the FSCA's authority to conduct investigations without undue interference and affirms the legitimacy of its investigative procedures. The ability to carry out investigations under statutory powers—without premature judicial intervention—is critical to the FSCA's mandate to uphold integrity in the financial sector.

The FSCA welcomes the Constitutional Court's decision, as it supports the FSCA's strong commitment to combat misconduct and maintain public confidence in South Africa's financial markets.

The Full Bench Appeal judgment of the High Court: [\(Click here\)](#)



Search and Seizure Warrants

- 7.4 In *ex parte* applications involving the search and seizure of documents the courts usually order that the seized materials be sealed and entrusted to an independent third party for safekeeping, pending the resolution of the legal challenge. Where the legality of search warrants obtained by the FSCA are challenged, that often results in FSCA investigations being temporarily suspended.

AYO Technology Solutions Limited and others

- 7.5 The FSCA launched an investigation into possible manipulative trading practices in contravention of the FMA into Ayo Technology Solutions Limited (Ayo). A review of the trading activities in these securities during the period May to June 2018 revealed share transactions that appeared to be possibly of a manipulative nature. Therefore, the FSCA embarked on a full investigation and extended the investigation period to February 2019. As part of the investigation the FSCA applied for a search and seizure warrant of the premises of Ayo.
- 7.6 Sekunjalo Investment Holdings (Pty) Ltd and others instituted a review application in the High Court of South Africa (Western Cape High Court. Cape Town) challenging the legality of the investigation and validity of the search warrants. The seized materials are currently kept by the court-appointed mediator. This litigation is ongoing resulting in the delay in completing the investigation.

Municipal Employees Pension Fund and others

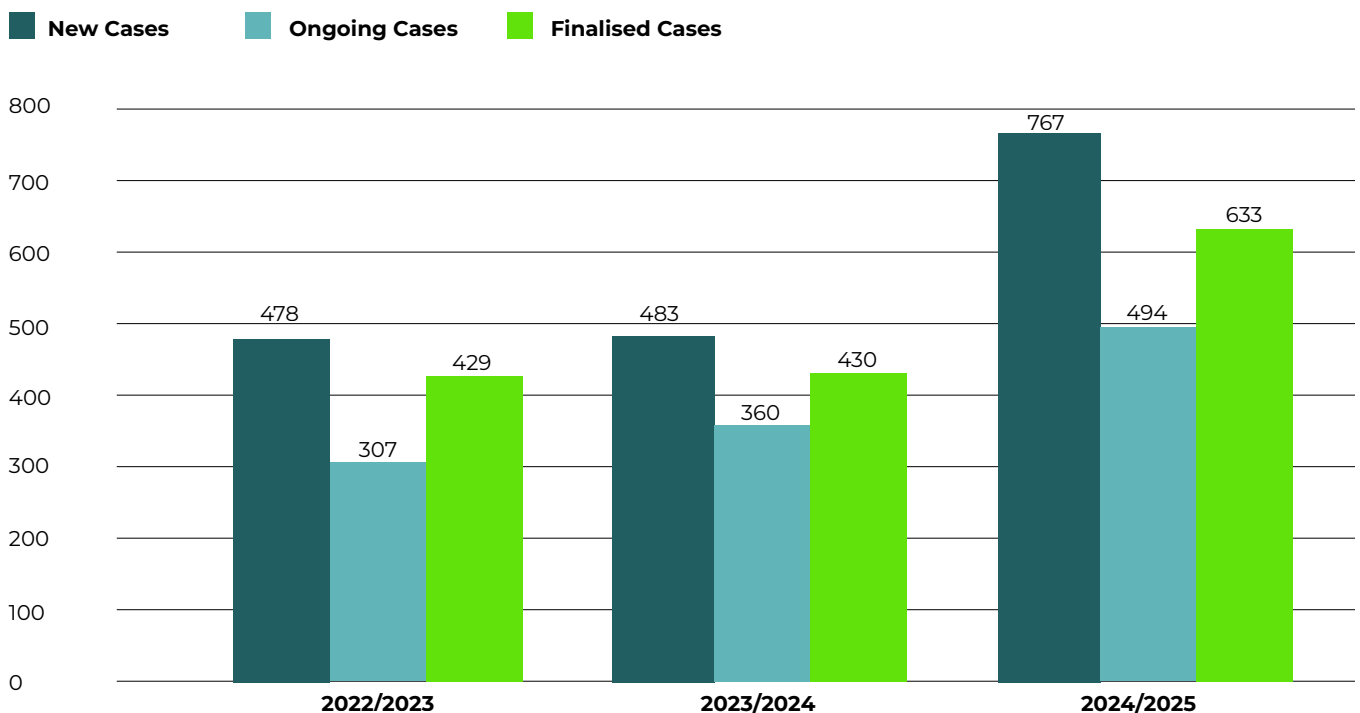
- 7.7 The FSCA commenced an investigation into the Municipal Employees Pension Fund (MEPF), Akani Retirement Fund Administrators (Pty) Ltd (Akani) and its representatives. As part of the investigation the FSCA applied for search and seizure warrant for documents on the premises of MEPF, Akani, Akani Properties (Pty) Ltd, and Munghana Leisure and Tourism (Pty) Ltd.
- 7.8 The decision to apply for a search warrant, and the validity of the search warrant were challenged. The seized evidence is held in the custody of an independent third party.
- 7.9 In the interim, the applicants instituted an application to compel the FSCA to produce a Rule 53 record. This refers to a request for all documents and information relevant to a specific decision – in this instance – the FSCA's decision to apply for a warrant. The FSCA opposed the application, arguing that its decision to apply for an *ex parte* warrant is not a subject to review or ripe for a review and therefore did not trigger the obligation to produce a Rule 53 record.
- 7.10 The Gauteng Division of the High Court (Pretoria) disagreed and held that the FSCA was indeed required to produce the record. The FSCA subsequently appealed this decision to the Supreme Court of Appeal. Leave to appeal was granted, and the matter was heard on 16 May 2025. Judgment has been reserved.
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Investigation Statistics

7.11 During the reporting period, the FSCA experienced a significant increase—approximately 59%—in the number of new cases received. Notably, over 70% of these cases pertained to unregistered financial services and unregistered insurance business. The number of cases involving unregistered insurance business alone rose by more than 134% compared to the previous year

Graph 1: New, ongoing and finalised cases across the last three financial years





7.12 Below is a breakdown of investigations relating to the type of contravention.

Table 3: Breakdown of investigation cases²

Type of investigation	New			Ongoing			Finalised		
	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025
Prohibited Trading Practices	13	14	8	27	33	18	9	8	23
Insider Trading	20	22	16	29	37	12	13	14	41
False Statements*	4	1	4	9	9	5	5	1	8
Foreign Requests**	2	3	8	1	-	2	1	4	6
FMA (ODPs)	22	5	3	5	3	4	27	8	2
FAIS Act	254	292	481	165	187	318	193	265	347
Insurance Act	81	78	184	55	65	119	69	68	131
Conduct Standard 3/2020 - Banks	-	-	-	-	-	-	-	-	1
Credit ratings	-	-	-	-	-	-	-	-	-
PFA	-	2	1	2	3	2	1	1	2
CISCA	-	-	-	1	-	-	2	-	-
Friendly Societies Act	1	-	-	-	-	-	1	-	-
Other	4	19	-	1	11	3	5	12	6
No Jurisdiction***	73	33	57	8	8	9	103	37	57
FSR Act****	4	11	4	4	3	2	-	10	7
FIC Act	-	3	1	-	1	-	-	2	2
Totals	478	483	767	307	360	494	429	430	633

* Alleged false statements made relating to listed entities. It is a contravention in terms of the FMA.

** Foreign requests relate to investigation requests received in terms of the MMOU or MOUs from foreign financial regulators. It is part of the FSCA's ongoing contribution to cross-border investigations.

*** Cases where FSCA conducted a desktop investigation and concluded that it does not have jurisdiction to investigate the matter.

**** These matters relate to impersonating the FSCA or its staff or unlawfully associating with the FSCA.

² The 2023/2024 statistics as previously reported have been slightly revised due to identified allocation errors.



8. ADMINISTRATIVE PENALTIES³

- 8.1 The FSCA imposes administrative penalties in appropriate cases to promote both general and specific deterrence. The process followed in imposing such penalties is designed to fully comply with the principles of just administrative law. Respondents are given a reasonable opportunity to respond to the allegations and to present reasons why a penalty should not be imposed or what an appropriate penalty should be. The factors considered in determining penalties are outlined in the FSR Act and are further supported by an internal Sanctions Guideline, which aims to ensure fairness and consistency in the application of penalties.
- 8.2 During the reporting period, the FSCA imposed administrative penalties totalling R119 829 523 on 51 persons/funds. A total of R16 985 000 in penalties was imposed on entities that were found to be in contravention of the FIC Act. More detail is provided under *Focus Areas and Trends*.
- 8.3 Table 4 reflects the administrative penalties imposed by the FSCA during the reporting period categorised per relevant financial sector law. The decrease in penalties from the previous financial year is mainly due to the substantial Steinhoff-related penalties that were imposed in the previous year. The total amount imposed in penalties may differ substantially from year to year because of a case involving considerable misconduct being finalised in a specific year.

Table 4: Administrative penalties imposed

Financial Sector Law	No. of Cases 2024/2025	No. of persons/ Funds 2024/2025	Penalties 2024/2025 (R)	Penalties 2022/2023 (R)
FMA – Market Abuse	-	-	-	475 000 000
FMA - ODPs	-	-	-	100 000
FIC Act ⁴	9	9	16 985 000	*19 773 000
CISCA	3	3	88 000	-
Insurance Act	3	3	17 021 983	
FAIS Act	9	12	82 443 540	12,700,000
FSR Act	-	-	-	2,000,000
Conduct Standard 3/2020 - Banks	1	1	***700 000	
Banks Act	-	-	-	****432 910 068
Pension Funds Act**	23	23	*****2 591 000	367 500
Totals	48	51	119 829 523	943 370 568

* Penalty of R2 900 000 imposed on 1 person is subject to reconsideration by the FIC Appeal Board.

** Penalties were for late or non-submission of returns.

*** R200 000 suspended.

**** Penalty of R216 051 141 imposed on Mr Coenraad Botha was referred back by the Financial Services Tribunal.

***** An amount of R1,229,500 were reversed.

³ See section 167 of the FSR Act.

⁴ Penalties issued in terms of section 45(c)(1) of the FIC Act.



8.4 Significant penalties included a total of R68 million imposed on the investigated parties in the NE-FG matter (Mr Du Preez R30 million, Mr S Jansen van Rensburg R30 million and Mr Steyn Janse van Rensburg R8 million. More detail is provided in the case study below.

Box 2: N-e-FG group of companies case study

CASE STUDY

N-e-FG GROUP OF COMPANIES AND KEY PERSONS

Initiation of Investigation

In September 2021, the FSCA launched an investigation into Phahamisa Administrators (Pty) Ltd (formerly N-e-FG Administrators), N-e-FG Fund Management (Pty) Ltd, and key individuals including Mr Corne Jansen van Rensburg, Mr Steyn Jansen van Rensburg, and Mr Frederick du Preez. The scope was later expanded to include Mr Christiaan Janse van Rensburg and The Wealth Strategist (Pty) Ltd.

The investigation was triggered by information from Lion of Africa Assurance Company Limited (Lion Life) regarding the Optimal Living Annuity (OLA) product. Although reports suggested that OLA funds were invested in reputable unit trusts, asset managers confirmed they held no such investments. This discrepancy prompted the FSCA to investigate potential contraventions of financial sector laws.

Key Findings

The FSCA uncovered that:

- Approximately R111,8 million of client funds, including R79 million from the OLA, were unlawfully invested with Phahamisa Investments (Pty) Ltd, an unauthorised FSP.
- These funds were redirected into the Phahamisa Venture Capital Fund (PVCF), which issued loans to various private entities—many of which were linked to the investigated individuals.
- Investment decisions were made solely by Mr Corne Jansen van Rensburg and Mr du Preez, who also issued investment statements that misrepresented the true nature of the investments.
- The funds were not invested in unit trusts as mandated but rather used in a manner inconsistent with clients' expectations and regulatory requirements.

Regulatory Breaches

The FSCA found multiple contraventions, including:

- FAIS Act: Breaches of fit and proper requirements and conducting business with unauthorised entities.
- General Code of Conduct: Misrepresentation of investments, failure to act in clients' interests, and inappropriate product recommendations.
- Financial Institutions (Protection of Funds) Act: Failure to act with good faith and diligence and investing contrary to client mandates.

Enforcement Actions

- **Debarments:**
 - Mr Corne Jansen van Rensburg and Mr du Preez: 30 years
 - Mr Steyn Jansen van Rensburg: 20 years
 - Mr Christiaan Janse van Rensburg: 10 years



- **Administrative Penalties:**
 - R30 million each for Mr Corne Jansen van Rensburg and Mr du Preez
 - R8 million for Mr Steyn Jansen van Rensburg
- **License Withdrawals:**
 - Fund Management and Administrators: December 2021
 - The Wealth Strategist: 15 May 2024

Reconsideration Applications

In January 2025, all four individuals lodged applications for reconsideration with the Financial Services Tribunal. These matters are currently pending.

Collaboration with Law Enforcement

The FSCA is actively supporting the SAPS and NPA, sharing evidence and findings to aid in potential criminal prosecution.

FSCA Debarment orders:

Mr Corne Jansen van Rensburg and Mr du Preez: [\(Click Here\)](#) [\(Click Here\)](#)

Mr Steyn Jansen van Rensburg: [\(Click Here\)](#)

Mr Christiaan Janse van Rensburg: [\(Click Here\)](#)

FSCA Administrative penalty orders: [\(Click Here\)](#) [\(Click Here\)](#)

FSCA Administrative penalty order: [\(Click Here\)](#)

9. WITHDRAWAL AND SUSPENSION OF AUTHORISATION

- 9.1 The FSCA may withdraw a licence if, among other reasons, the licensee has contravened a licence condition, materially breached a financial sector law, failed to comply with a directive, or defaulted on an enforceable undertaking. The primary objective of such action is to protect consumers from potential risks and financial harm.
- 9.2 The FSCA may also suspend a licence, typically in cases where the non-compliance is remediable—such as the failure to submit statutory returns. In these instances, the FSCA notifies the licensee of its intention to suspend the licence and provides an opportunity to either rectify the non-compliance or present valid objections to the intended suspension. If the issue remains unresolved and no sufficient justification is provided, the FSCA proceeds to suspend the licence for a specified period. During this suspension, the licensee is prohibited from offering financial services. The FSCA may lift the suspension and reinstate the licence if the licensee remedies the non-compliance within the suspension period.

Table 5: No. of suspensions, withdrawals and reinstatements of licences

SUSPENSIONS			WITHDRAWALS*		
2022/2023	2023/2024	2024/2025	2022/2023	2023/2024	2024/2025
984	1 061	24	420	75	382

REINSTATEMENTS**		
2022/2023	2023/2024	2024/2025
522	621	58

*Cases that were set aside by the Financial Services Tribunal were not considered.

**Cases where withdrawal decisions were set aside by the Financial Services Tribunal were not considered.



- 9.3 During the year under review, the number of licence suspensions decreased significantly from 1 061 in 2023/2024 to just 24 in 2024/2025. Conversely, licence withdrawals increased markedly, rising from 75 in 2023/2024 to 382 in 2024/2025. This shift is primarily attributed to the process cycle for suspensions and withdrawals related to the non-submission of statutory returns, which spans across two reporting periods. In cases where licences were suspended in the previous period due to non-submissions and the affected entities failed to address the underlying issues, these suspensions ultimately resulted in withdrawals during the current review period.
- 9.4 Over 90% of the licence withdrawals in 2024/2025 were due to the non-submission of statutory returns. The remaining withdrawals were linked to serious misconduct such as the submission of false claims and policies and engaging in financial services activities with unauthorised entities.
- 9.5 Regarding suspensions in the current review period, 46% were due to the non-submission of statutory returns. The remainder were attributed to failures by financial services providers to act with due care, maintain financial soundness, or ensure the presence of key individuals and compliance officers.

10. DEBARMENTS⁵

- 10.1 Debarment under the FAIS Act is a regulatory mechanism used to protect the integrity of the financial services industry. It prevents individuals who are no longer fit and proper from rendering financial services. The primary goal of debarments is consumer protection—ensuring that only competent, honest, and trustworthy individuals operate in the financial sector.
- 10.2 During the reporting period, the FSCA debarred 131 individuals from rendering financial services. Most of the debarments were due to dishonest conduct, with a significant portion involving the submission of false policies by representatives—a form of misconduct previously highlighted in the 2023 report and which continues to be a key regulatory concern.
- 10.3 There was a decline in the number of debarments, from 156 in the 2023/2024 financial year to 131 in the current period. This reduction is likely attributable to targeted FSCA interventions, including longer debarment periods and increased public visibility of debarment actions.
- 10.4 In addition to debarments initiated by the FSCA, FSPs are obligated under section 14(1) of the FAIS Act to debar a representative who is no longer fit and proper, and/or who has materially contravened a provision of the Act. FSPs are required to notify the FSCA of all such debarments. These are subsequently published in the *Central Register of Debarred Persons*, ensuring transparency and industry-wide enforcement.
- 10.5 During the reporting period, a total of 1 679 representatives were debarred by FSPs. This represents a 43% increase in FSP-initiated debarments compared to the previous reporting period. This upward trend underscores the growing vigilance among FSPs in maintaining ethical standards and regulatory compliance within the financial services industry.

⁵ See section 153 of the FSR Act.

**Table 6: Reasons for FSP debarments**

Debarment reasons	2022/2023	2023/2024	2024/2025
Non-compliance with competency requirements	37	41	47
Dishonesty	1 100	1 263	1 822
Other material contravention of the FAIS Act	-	4	8
Other	-	4	2
TOTAL	1 137	1 312	1 879

10.6 An emerging concern is the delayed use of the debarment provision under section 14(1) of the FAIS Act by financial services providers. The FSCA has observed instances where FSPs postpone initiating debarment proceedings until the six-month statutory window has lapsed, thereby undermining the effectiveness of the debarment process. The FSCA urges financial services providers to act promptly and decisively when grounds for debarment arise, to maintain the integrity of the financial services industry.

10.7 The number of debarred representatives, including both FSCA and FSP debarments, constitutes approximately 1% of the total number of appointed representatives.

11. REGULATORY DIRECTIVES ISSUED BY THE FSCA

11.1 In accordance with sections 144 and 145 of the FSR Act and section 45C of the FIC Act, the FSCA is empowered to issue directives to financial institutions. These directives serve as a valuable regulatory tool, particularly in cases where non-compliance can be remedied or the resulting harm can be reversed.

11.2 During the reporting year, the FSCA issued a total of 13 directives to regulated entities:

- Nine directives were issued in response to AML contraventions, each accompanied by a substantial administrative penalty. The respondents were directed to remediate non-compliances with the FIC Act identified during on-site inspections. The directives relate to, inter alia, addressing deficiencies in their risk management and compliance programme, and screening for targeted financial sanctions issued by the Security Council of the United Nations. These cases are discussed in more detail under the section Focus Areas and Trends.
- Three directives were issued to funeral parlours, instructing them to regularise their operations. (The balance of the funeral parlours found wanting signed enforceable undertakings.)
- One directive was issued to Wenru (Pty) Ltd, a licensed financial services provider, requiring the firm to enhance its internal systems and controls to mitigate the risk of client losses due to fraud, negligence, or misconduct. (*Case study in box 3*)



Box 3: Case study Wenru (Pty) Ltd and Ms Adell van Wyk

CASE STUDY

WENRU (PTY) LTD AND MS ADELL VAN WYK

Unlawful Processing of Payments Without Client Consent: Wenru (Pty) Ltd and Ms Adell van Wyk

Background

In May 2020, the FSCA received a complaint from Ms Karlien Janse van Vuuren against her financial advisor, Ms Adell van Wyk. Ms van Wyk was a shareholder, director, key individual, and representative of Wenru (Pty) Ltd, an authorised Financial Services Provider (FSP). The complaint alleged that Ms van Wyk advised Ms van Vuuren to open a Corporate Cash Management (CCM) account and subsequently instructed Wenru to process multiple payments from this account to Van Wyk Attorneys' trust account—without Ms van Vuuren's consent. Van Wyk Attorneys was involved in administering the estate of Ms van Vuuren's deceased life partner.

Findings of the FSCA Investigation

The FSCA's investigation revealed several regulatory breaches:

- **Unapproved Advice**
Wenru contravened section 13(1)(g) of the Fit and Proper Requirements by allowing Ms van Wyk to render financial services in a product (CCM account) for which she was not approved.
- **Unauthorised Transactions**
Wenru breached sections 3(1)(e) and 10(1)(e) of the General Code, and section 2(b) of the Financial Institutions (Protection of Funds) Act (FI Act), by executing transactions on Ms van Vuuren's account without her consent and contrary to her mandate.
- **Inadequate Systems and Controls**
Wenru failed to implement adequate systems and processes to prevent unauthorised transfers, contravening section 11 of the General Code.
- **Breach of Mandate and Integrity**
Wenru contravened section 2 and section 10(1)(e) of the General Code by failing to act honestly, fairly, and in the best interests of the client and the financial services industry. This included transferring funds to a home loan account in the name of Ms van Vuuren's deceased partner without her instruction or consent.

Enforcement Outcome

• Debarment:

Ms Adell van Wyk was debarred for 15 years from providing financial services, acting as a key person, or offering specified services under outsourcing arrangements.

- Administrative Penalties:
- Ms van Wyk: R1 million
- Wenru (Pty) Ltd: R100 000

• Directive:

The FSCA issued a directive to Wenru to strengthen its systems and processes to mitigate the risk of client losses due to fraud, negligence, or misconduct.

**Reconsideration Application**

Wenru applied to the Financial Services Tribunal for reconsideration of the FSCA's directive and penalty. The Tribunal dismissed the application, finding no grounds to interfere with the FSCA's decisions.

Significance of the Case

This case underscores the critical importance of:

- Acting with good faith and due diligence in handling client funds
- Ensuring robust internal controls to prevent unauthorised transactions
- Maintaining clear and documented client mandates

The FSCA views any failure in these areas as serious and will take decisive action to protect the integrity of the financial services industry.

The firm was provided with an opportunity to strengthen its internal controls following the debarment of one of the key individuals.

FSCA Debarment order: [\(Click here\)](#)

FSCA Administrative penalty order: [\(Click here\)](#)

FSCA Administrative penalty order: [\(Click here\)](#)

FSCA Directive: [\(Click here\)](#)

FSCA Tribunal order: [\(Click here\)](#)

12. PUBLIC WARNINGS AND CONSUMER OUTREACH

- 12.1 During the reporting period, the FSCA issued 107 public warnings in response to apparent unauthorised or unlawful activities that posed potential financial risks to the public. Most of these warnings focused on suspected unregistered financial service providers—typically unlicensed entities offering investment or trading opportunities. These schemes consistently exhibited significant red flags, such as promises of unrealistic returns, guaranteed capital or profits, and operations by unlicensed individuals. Most of these offerings were disseminated via social media platforms.
- 12.2 Approximately 20% of the warnings involved impersonations of licensed financial institutions and service providers. This method has become increasingly common, as it lends a false sense of legitimacy to fraudulent schemes. The FSCA, its Commissioner, and staff members have also been impersonated in several reported cases.
- 12.3 To amplify the impact of these warnings, the FSCA engages in media interviews and collaborates with other regulatory and information agencies.

Table 7: Number of public warnings published

Public Warnings	2022/2023	2023/2024	2024/2025
Public Warnings	47	104	107



12.4 On 31 May 2024, the FSCA published its inaugural Financial Education Plan (FEP), aimed at advancing its strategic objective of enhancing both the reach and quality of financial education in South Africa. The FEP promotes greater coordination among stakeholders and demonstrates thought leadership through the transparent disclosure of planned financial education initiatives. During the 2024/25 financial year, the FSCA successfully implemented all the targets outlined in the FEP.

12.5 The table below shows the reach of the various activities implemented as part of the FEP targets.

Table 8: Reach of consumer education efforts

SOCIAL MEDIA
<ul style="list-style-type: none"> • 4 843 545 people viewed the content on FSCA social media platforms. • Content was shared across social media platforms on 1 211 occasions. • Users interacted with content beyond views e.g. likes, reactions, comments, etc. reposts 194 077 times. • 66 543 people clicked on social media content and accessed the fscamymoney website. • Content was viewed, including multiple views from individual users, 528 432 times. • 1 006 225 viewers watched videos during specific campaigns. • 3 433 persons attended webinars
RADIO, TV AND, PRINTED MEDIA
<ul style="list-style-type: none"> • FSCA contributed to radio programmes with total listenership numbers of 47 471 854. • The FSCA contributed to television programmes with total viewership numbers of 1 439 430. • The FSCA published content in printed media with total readership numbers of 31 488 990.

12.6 In addition to the above, the FSCA ran several in-person financial education programmes. An integral part of this outreach was education relating to harmful activities and products.

13. STATUTORY MANAGERS & CURATORS

13.1 The FSCA may apply to the High Court on an *ex parte* basis for the appointment of a curator to assume control of, and manage, all or part of a financial institution's business. Alternatively, the FSCA may appoint a curator by mutual agreement with the institution, without court intervention. Curatorship is a vital mechanism for protecting the interests of financial customers by transferring control from existing management to an independent curator.

13.2 The FSCA may also appoint a statutory manager, by agreement with a financial institution and without court involvement, if it appears that the institution has materially failed to comply with applicable laws, is likely to be in an unsound financial position, or is being mismanaged. Unlike a curator, a statutory manager works alongside the existing management team, without displacing them, to safeguard customer interests.

13.3 During the reporting period, two curatorships were concluded. As a result, there were eight remaining active curatorships as at the end of the period, representing a slight decrease over the past three years. The two statutory managers that were ongoing as of 31 March 2025 are likely to be concluded in during current financial year.

13.4 No new curatorships or statutory manager appointments were made during this reporting period.



13.5 Tables 9 and 10 below outline the number of new, ongoing and finalised curatorships and statutory managers across the different sectors.

Table 9: Number and status of curatorships per sector

FINANCIAL SECTOR	New			Ongoing			Finalised		
	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025
FSPs	-	-	-	3	2	2	-	1	1
Retirement Funds	-	-	-	6	6	5	1	-	-
Collective Investment Schemes	-	-	-	1	1	1		-	-
Totals	-	-	-	10	9	8	1	1	1

Table 10: Number and status of statutory managements per sector

FINANCIAL SECTOR	New			Ongoing			Finalised		
	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025	2022/ 2023	2023/ 2024	2024/ 2025
Retirement Funds	1	-	-	3	2	2	1	1	1
Totals	1	-	-	3	2	2	1	1	1

14. ENFORCEABLE UNDERTAKINGS⁶

14.1 Enforceable undertakings enhance enforcement efficiency and serve as an effective alternative to formal regulatory or enforcement proceedings.

Table 11: Number of enforceable undertakings per sector

Financial Sector	2022/2023	2023/2024	2024/2025
Financial Markets	2	-	1
Retirement Funds	-	-	-
FSPs	-	5	1
Credit Rating Services	-	1	-
Insurance	-	35	12
TOTAL	2	41	14

⁶ Section 151 of the FSR Act provide empowers the FSCA to enter into enforceable undertakings.



- 14.2 Enforceable undertakings are still used extensively by the FSCA in the funeral parlour industry investigations. Although there has been a marked decrease in enforceable undertakings completed in the year under review, the decline is mostly attributable to a timing issue in the signing of the enforceable undertakings in cases where the investigations have been completed. An additional nine enforceable undertakings were completed and signed after 31 March 2025, relating to investigations completed before 31 March 2025.
- 14.3 There was a noticeable decline in enforceable undertakings during the review period attributed to a slight change in approach. The investigation team opted to conduct full investigations rather than entering into enforceable undertakings with authorised entities. The change was prompted by concerns that entities were exploiting the previously more lenient stance. The enforcement actions resulting from the full investigations will be published in the next report.
- 14.4 The case study below highlights the effectiveness of enforceable undertakings in addressing rectifiable non-compliance, particularly where no dishonesty is involved.

Box 4: A2X admission process

CASE STUDY

A2X ADMISSION PROCESS

Complaint against A2X: admission process

On 4 April 2023, the FSCA received a complaint from the Johannesburg Stock Exchange Limited (JSE) regarding A2X's implementation of its admission process, also referred to as the "Opt-Out Process." This process involved A2X admitting securities of certain issuers onto its trading platform without requiring those issuers to undergo the formal application process prescribed by the Financial Markets Act (FMA) and A2X's own listing requirements.

Under this process, A2X would initiate the listing and notify the issuer, who was then given a specified period to either accept or decline the inclusion of its securities. If the issuer failed to respond, A2X proceeded to list the securities on the date indicated in the opt-out letter.

Following an investigation and engagement with A2X, the FSCA found that the FMA does not permit the admission of securities to an exchange without a formal application by the issuer. The FSCA concluded that A2X's Admission Process contravened both the FMA and A2X's listing requirements.

To resolve the matter, the FSCA determined that an enforceable undertaking in terms of section 151 of the FSR Act was the most appropriate course of action, considering the FSCA's mandate and the broader market context. A key condition of the undertaking required A2X was required to regularise the listings of issuers admitted through the incorrect admission process. Specifically, A2X must obtain consent from each issuer to remain listed. If an issuer opted to delist, A2X was obligated to facilitate the delisting and bear the associated costs.

The enforceable undertaking became effective on 25 March 2025. In addition, the FSCA imposed an administrative penalty of R700 000 on A2X.

Consent order: [\(Click Here\)](#)

Enforceable undertaking: [\(Click Here\)](#)



PART IV: FINANCIAL SERVICES TRIBUNAL RECONSIDERATIONS

15. STATUS OF APPLICATIONS FOR RECONSIDERATION LODGED WITH THE FINANCIAL SERVICES TRIBUNAL

- 15.1 During the reporting period 47 new applications for the reconsideration of the FSCA's decisions were lodged with the Financial Services Tribunal, and 34 cases were finalised. Table 12 details the status of these applications.
- 15.2 Table 13 provides a breakdown of the outcome of the cases finalised during this reporting period. It includes both new cases lodged during this period and ongoing cases rolled over from the previous reporting period. Of these cases, the FSCA's decisions were upheld in 11 cases. In the 3 cases where the applications were withdrawn, the FSCA's decisions remained in force. In the remaining 20 cases, the FSCA agreed, by way of consent order, to have its decisions set aside and referred back for further consideration.
- 15.3 In several instances, the FSCA consented to set aside its decisions when the reasons for its decisions involved non-payment of levies or failure to submit statutory returns, provided the respondents subsequently paid the levies, submitted returns, or made satisfactory arrangements in this regard.
- 15.4 During the reporting period, the FSCA took 1 323 administrative decisions, a small fraction of which were challenged through reconsideration applications.

Table 12: Status of applications lodged with Financial Services Tribunal

Reconsiderations logged during the Reporting Period		Finalised		Ongoing	
2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
33	47	43	34	9	13

Table 13: Outcome of finalised cases

Applications withdrawn		Dismissed		Consent Order		Decision set aside	
2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
11	3	16	11	11	20	5	0

**Box 5: Amendment of JSE listings requirements****CASE
STUDY****AMENDMENT OF JSE LISTINGS REQUIREMENTS****Background regarding amendments to the JSE Listings Requirements**

On 14 October 2024, FSCA exercised its powers under sections 11(7) and 71(4) of the FMA, to unilaterally amend the JSE's Listings Requirements and Exchange Rules. In response, the JSE approached the Financial Sector Tribunal on 8 November 2024, seeking a suspension of the FSCA's decision. Following engagements between the FSCA and the JSE in December 2024, the parties reached mutual agreement on the proposed amendments. On 6 December 2024, both parties jointly approached the Tribunal to confirm the resolution. The Tribunal issued a consent order, setting aside the FSCA's initial decision and remitting it for further consideration under section 234(1)(a) of the Financial Sector Regulation Act, No. 9 of 2017.

Rationale Behind the FSCA's Intervention

The FSCA's decision to amend the JSE's rules was the culmination of a regulatory process that began in May 2021. Initial discussions focused on the potential revision of the JSE's Listings Requirements, prompted by a complaint from another licensed market infrastructure regarding the naming convention of the JSE's Central Securities Depository (CSD). However, the FSCA's concerns extended beyond this issue.

The FSCA's concern was that the JSE's Listings Requirements did not adequately reflect South Africa's multi-infrastructure market landscape. Specifically, the inclusion of a named CSD in the rules was seen as potentially exclusionary, creating barriers to entry for new market participants and limiting the ability of existing participants to choose among licensed infrastructures. The FSCA's objective is to foster a regulatory environment that promotes fairness, competition, and efficiency in the financial markets. By removing exclusionary provisions, the FSCA aimed to ensure that all licensed Market Infrastructures and participants have equal opportunities to operate and innovate.

Conclusion

This regulatory episode underscores the FSCA's dual role as both a regulator and a steward of market conduct. While the FSCA sought a significant intervention to address structural issues within the JSE's regulatory framework, the outcome reaffirmed the importance of collaborative engagement and the need for regulatory decisions to be reconsidered in light of broader market dynamics and stakeholder input.



PART V: FOCUS AREAS & TRENDS

16. HEIGHTENED RISK

16.1 The FSCA has allocated significant resources, and will continue to do so, to address areas of heightened risk, some of which were discussed in the previous report. Below are some identified practices that will be focal points for the FSCA in the coming year.

17. ONLINE HARM: A GROWING THREAT TO FINANCIAL CONSUMERS

17.1 Online harm encompasses a wide range of fraudulent and deceptive practices proliferating across digital platforms. These include scams hosted on social media, harmful financial products offered through online trading platforms, and misleading advertisements. Increasingly, financial consumers are falling victim to these schemes, often losing substantial sums of money.

17.2 A key concern is the use of paid-for advertisements and user-generated content to promote fraudulent “investment opportunities.” These are rarely associated with legitimate financial service providers.

Forms of Online Harm

17.3 Online harm manifests in various ways, including:

- Scams promoted on social media platforms
- Unauthorised or unregulated over-the-counter derivative providers targeting South Af-ricans
- Local FSPs conducting business with unregulated over-the-counter derivative provid-ers
- Impersonation of legitimate financial entities
- Deepfake advertisements
- Financial influencers (“finfluencers”) providing inappropriate advice
- Copy trading and signal providers operating without authorisation

FSCA’s Response to Online Harm

17.4 The FSCA has implemented a multi-pronged strategy to combat online harm and protect consumers:

Public Warnings and Alerts

17.5 In the past financial year, the FSCA issued 107 public warnings regarding unauthorised or unlawful financial activities.



17.6 These warnings primarily targeted social media content promoting investment or trading schemes with red flags such as:

- Unrealistic returns
- Guaranteed profits
- Unlicensed operators

17.7 Warnings are disseminated via general media releases, the FSCA website, and social media platforms.

17.8 The FSCA also runs a “Warning Wednesdays” campaign to share updates on scams and enforcement actions.

Consumer Education

17.9 The FSCA conducts extensive consumer education outreach through social media, radio, television, and print media. Messaging emphasises the importance of dealing only with authorised FSPs. (Discussed in more detail above under the heading Public Warnings above.)

Monitoring and Enforcement

17.10 The FSCA actively monitors social media for potentially harmful investment offers. Investigations target:

- Unregistered ODPs
- Unlicensed financial advice and intermediary services
- Copy trading and signal providers
- Finfluencers
- any other harmful practices within the FSCA’s jurisdiction.

Collaboration and Regulatory Action

17.11 The FSCA reports offending content to platforms like Facebook and Telegram and requests domain takedowns. Legislation is being prepared to empower the FSCA to issue direct takedown notices.

17.12 As a member of IOSCO, the FSCA collaborates internationally, including:

- Disrupting online scams
- Addressing risks from finfluencers
- Conducting cross-border investigations

17.13 The FSCA is part of an IOSCO workgroup engaging with social media platforms to implement measures such as:

- Removing scam content
 - Enhancing platform gatekeeping
 - Facilitating direct regulator engagement
-



17.14 During the year under review, the FSCA imposed sanctions on an unregistered person for inter alia providing unauthorised financial advice in the form of trading signals. The case study is provided below.

Box 5: Case study Mr Kabelo Mogale and Forex Private Jet Injectors**CASE
STUDY****MR KABELO MOGALE AND FOREX PRIVATE JET INJECTORS****Unauthorised FAIS Business and Offering Forex Signals****Background**

In February 2023, the FSCA received an anonymous enquiry in respect of Mr Kabelo Mogale (Mogale) and Forex Private Jet Injectors (Forex Private). Pursuant to the anonymous enquiry, the FSCA initiated an investigation into Mogale and Forex Private to determine potential contraventions of financial sector laws.

Findings of the Investigation

The investigation revealed that during the period April 2018 to June 2023, Mogale solicited investments from members of the public through a Forex Private Telegram page/group. The Telegram group had over 1 400 subscribers. Mogale offered forex account management services. The offering entailed clients funding their personal forex trading accounts, providing Mogale with their login details and Mogale trading on the clients' behalf. Further, Mogale offered and sent forex trading signals to clients advising them when to buy or sell forex.

Mogale received over R800 000 from over 300 clients during the above mentioned period. He did not invest the funds in any financial products. Some of the funds were used to pay other clients as purported returns, however, most of the funds were misappropriated by Mogale. Mogale did not cooperate with the investigation.

The investigation made the following findings:

- i. Mogale contravened section 7(1) of the FAIS Act by rendering unauthorised financial services business; and
- ii. Mogale contravened section 139(2) of the FSR Act by failing to comply with a Notice to provide information to the investigators.

Outcome of FSCA Investigation

During the enforcement process, Mogale offered to pay back the clients. The FSCA considered the offer, but it was not satisfied that Mogale had the means or the access to client details to honour the payments. The FSCA debarred Mogale for a period of 10 years from providing financial services, acting as a key person of any financial institution, as well as providing specified financial services to a financial institution, whether under outsourcing arrangements or otherwise. The FSCA imposed an administrative penalty of R1 015 315 on Mogale.

The regulatory message

The FSCA has stated before that there had been noticeable increase in the number of cases where individuals are offering to assist clients with trading, as well as individuals providing trading signals. The FSCA reaffirms that signal providers require an FSP licence and that it is a focus area for the FSCA.

FSCA Debarment order: ([Click here](#))

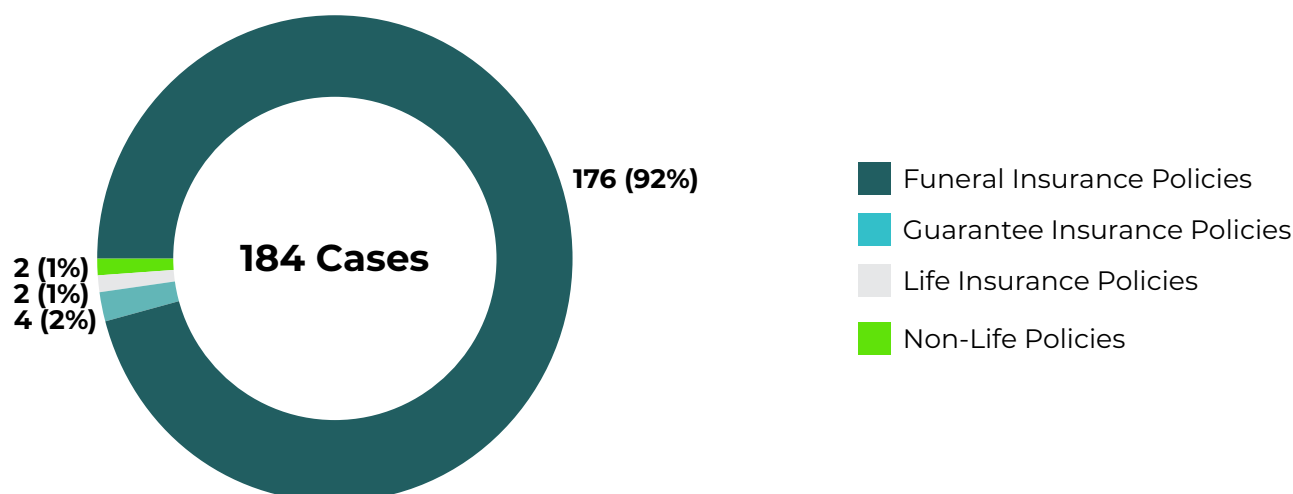
FSCA Administrative penalty order: ([Click here](#))



18. UNREGISTERED INSURANCE BUSINESS

18.1 Unregistered insurance business remains a concern and a focus area for the FSCA. Below is a chart showing the distribution of identified unregistered insurance business across the insurance subindustries.

Graph 2: Unregistered insurance cases per industry



19. UNREGISTERED INSURANCE IN THE SOUTH AFRICAN FUNERAL PARLOUR INDUSTRY

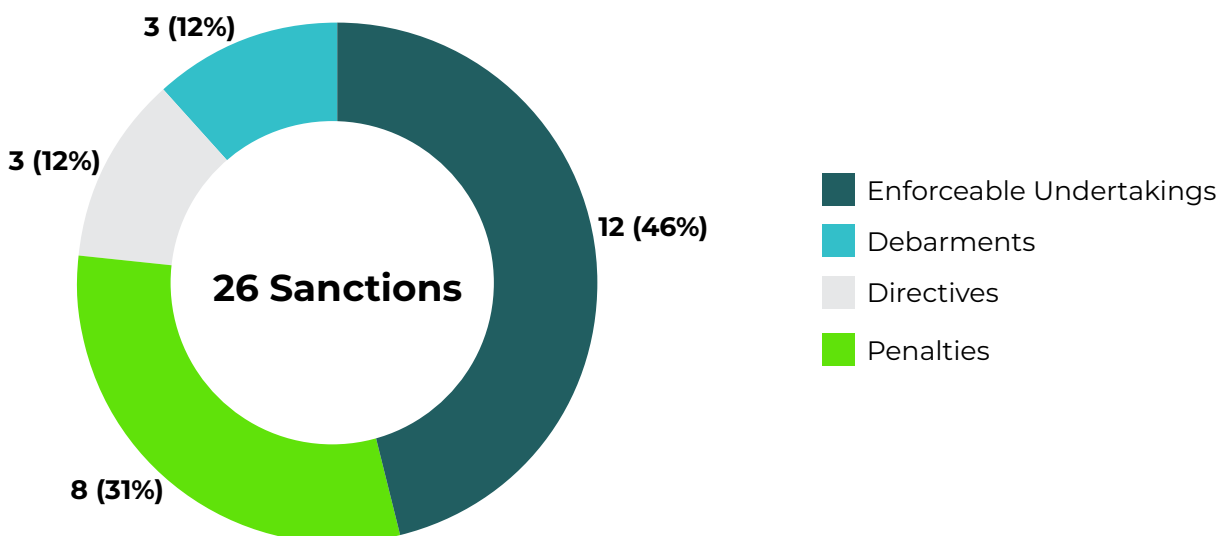
- 19.1 In the previous report, the FSCA highlighted the fact that a significant number of funeral parlours engage in the “self-underwriting” of insurance policies and unauthorised collection of premiums from clients, contravening prevailing insurance legislation and exhibiting poor practices that result in negative outcomes for customers.
- 19.2 The significant increase in the number of new cases could be attributed to heightened awareness stemming from the prior year’s investigations and enforcement actions by the dedicated unregistered insurance team of the FSCA. Additionally, improved collaboration with industry associations has contributed to more effective oversight and reporting.
- 19.3 The South African funeral parlour industry is a substantial sector with fragmented regulatory oversight. It is estimated that over 10 000 entities are currently operating within the funeral services sector. This estimate encompasses businesses engaged in:
- Cash-based funeral services
 - Tombstone sales
 - Funeral insurance policies
- 19.4 According to data provided by the relevant industry associations, more than 4 000 of these entities are funeral parlours that also offer insurance-related services. The remaining 6 000 are primarily involved in tombstone sales and cash-based funeral arrangements.⁷ Due to the informal and often unregulated nature of many operations in this sector, the actual number of active entities may fluctuate over time.

⁷ These figures are however informal estimates and have not been independently verified.



- 19.5 Many of these businesses operate on a membership model, collecting monthly contributions from customers in exchange for funeral benefits upon the death of a member. They have and continue to play an important role in providing customers with access to financial services.
- 19.6 However, this business model effectively constitutes the provision of insurance without being licensed to do so, thereby contravening the Insurance Act. In some instances, parlours have relationships with insurance companies but may not be compliant with the relevant financial advisory and intermediary requirements.
- 19.7 In instances of self-underwriting customers may find themselves without recourse if their claims go unpaid. This poses significant risks to the public, as parlours are not subject to prudential oversight, meaning there are no guarantees that they have the financial capacity on their own to honour claims.
- 19.8 In response to these concerns, the FSCA and the PA have initiated a comprehensive review of the regulatory framework governing the distribution of funeral insurance, aiming to enhance consumer protection and bring greater accountability to the sector. It aims to do so in a way that still supports the operation of credible and complaint players in the sector.
- 19.9 In October 2022, the FSCA established a dedicated investigation team within its Enforcement Division (the Unregistered Insurance Team) to address the growing number of unregistered insurance and financial services providers operating within the funeral parlour industry. The strategy includes regularisation, and building collaborative relationships with industry associations, regulators and key government entities, with the aim of enhancing regulatory compliance across the sector.
- 19.10 This team was tasked with supporting the formalisation of the informal funeral services market, in a way that promotes consumer protection and long-term sustainability of the sector. Below is a graph reflecting the sanctions imposed on funeral parlours during the year under review.

Graph 3: Unregistered insurance (funeral parlours) sanctions





- 19.11 The data reflects the FSCA's strategic focus on fostering industry compliance through regularisation rather than rigid enforcement visible by the high number of cases resolved through enforceable undertakings. Nonetheless, certain cases necessitated a firmer approach due to their specific circumstances, resulting in penalties and debarments.

Box 7: Unregistered insurance by Hernell Funerals (Pty) Ltd

CASE STUDY

UNREGISTERED INSURANCE AND UNAUTHORISED FINANCIAL SERVICES BY HERNELL FUNERALS (PTY) LTD

This case study examines the regulatory breaches committed by Hernell Funerals (Pty) Ltd ("Hernell Funerals"), a South African funeral services provider, and its directors Mr Shaun Andre Peterson and Mrs Carol-Ann Peterson. The FSCA initiated an investigation following multiple client complaints regarding unpaid funeral claims.

Between 1 April 2021 and 31 October 2023, Hernell Funerals, along with Mr and Mrs Peterson, offered funeral insurance products to the public. These offerings included the provision of financial advice and the issuance of life insurance (funeral cover) policies to approximately 3 000 clients, without the necessary authorisation or licensing.

Clients collectively paid R7 730 930 in premiums during this period. However, only 171 claims were settled, amounting to R1 701 500.

The FSCA's investigation concluded that:

- Hernell Funerals and its directors rendered financial services, including advice on funeral policies, without being registered as a Financial Services Provider (FSP), in contravention of Section 7(1) of the FAIS Act.
- The company failed to place clients with a licensed insurer, in breach of Section 5(1) of the Insurance Act.

The FSCA determined that Hernell Funerals and its directors operated outside the legal framework governing financial services and insurance in South Africa. Their conduct posed significant risks to consumers and undermined the integrity of the financial sector. The FSCA imposed the following sanctions:

- A joint administrative penalty of R4.4 million on Hernell Funerals, Mr Peterson, and Mrs Peterson.
- Mr Shaun Andre Peterson was debarred from the financial services industry for five years.
- Mrs Carol-Ann Peterson was debarred for ten years.

In this instance the FSCA took a firmer approach because the investigated parties were previously authorised and its clients underwritten, and it failed to comply with an enforceable undertaking.

FSCA Debarment Orders: ([Mr. Peterson](#)) | ([Mrs. Peterson](#))

FSCA Administrative Penalty Order: ([Penalty Order](#))

Challenges in Industry Regularisation

- 19.12 Regularising the funeral services industry presents several challenges. While funeral parlours play a vital role in delivering end-of-life services, many lack the critical mass of members needed to sustain operational costs such as rent, utilities, and staff salaries. This financial strain may be compounded by the reluctance of underwriters to support small books of business, as the administrative burden and limited risk pooling make them economically unviable.



- 19.13 Lastly, insurers are often hesitant to underwrite dependants over the age of 75. When they do, the associated risk is typically offset by significantly higher premiums, rendering the product unaffordable for many policyholders. Another barrier to effective regularisation is the reluctance of some funeral parlours to share client data with administrators and underwriters. This stems from concerns about potentially losing their client base to the insurer, which hampers transparency and collaboration across the value chain.

20. UNREGISTERED INSURANCE IN THE TRANSPORT BUSINESS

- 20.1 The FSCA has received complaints concerning certain transport (relocation) businesses offering add-on services that may contravene the prohibition against unregistered insurance activities. While some instances appear to stem from a misunderstanding of the applicable legal framework, others suggest a deliberate disregard for the law.
- 20.2 Although the FSCA does not regulate the transport sector directly, it will not hesitate to take robust enforcement action where operators are found to be in breach of financial sector legislation. A case study is provided below.

Box 8: Unregistered insurance by Kings International Removers (Pty) Ltd

CASE STUDY

UNREGISTERED INSURANCE BUSINESS BY KINGS INTERNATIONAL REMOVERS (PTY) LTD AND MR ROLF MICHAEL LAMERS

Contraventions of financial sector legislation by a transport company

This case study explores regulatory violations committed by Kings International Removers (Pty) Ltd ("Kings International"), a South African relocation and logistics services provider, and its director, Mr. Rolf Michael Lamers. Following a client complaint, the FSCA launched an investigation that uncovered unauthorised insurance activities and multiple breaches of South African financial sector legislation.

Kings International offered both domestic and international relocation services. As part of its service package, the company provided clients with short-term insurance products—such as "Total Loss" and "All Risks" policies—covering household goods in transit. However, Kings International was not licensed to provide financial services or underwrite insurance.

Regulatory Investigation

The FSCA's investigation focused on the period from 1 January 2017 to 30 September 2023. Key findings included:

- Kings International and Mr. Lamers rendered financial advice and facilitated insurance cover for approximately 1,095 clients without being licensed as a Financial Services Provider (FSP), in contravention of the Financial Advisory and Intermediary Services (FAIS) Act.
- Clients were not placed with a registered insurer, violating section 5(1) of the Insurance Act.
- The parties made false or misleading statements about their insurance offerings, breaching Section 8(9)(c) of the FAIS Act.

As a result, the FSCA imposed a joint administrative penalty of R1 126 982 on Kings International and Mr Lamers. Additionally, Mr Lamers was debarred from participating in the financial services industry for a period of eight years.



Key Takeaways

This case underscores the broad applicability of financial sector legislation—even to businesses ostensibly operating outside the traditional financial services industry. It serves as a cautionary example for companies in the transport and logistics sector to carefully assess their service models and ensure compliance with financial regulation.

FSCA Debarment Order: ([Click here](#))

FSCA Administrative Penalty Order: ([Click here](#))

21. GUARANTEE POLICIES

- 21.1 In previous *Regulatory Actions Reports*, the FSCA highlighted a growing concern regarding individuals and entities issuing guarantees that conform with the definition of insurance in favour of state entities when contracting for infrastructure projects, whilst not being authorised as an insurer.
- 21.2 These entities are often licenced under the National Credit Act (NCA) and give out that the guarantees are issued under the NCA. However, as our courts have held, whether a contract for the provision of a guarantee constitute insurance depends on the features of that contract. One must therefore interrogate the agreement itself. What is more, it is irrelevant whether the arrangement also falls under the NCA, as the possible application of the NCA does not exclude the application of the Insurance Act. The FSCA maintains that if a guarantee conforms with the definition of non-life insurance business (guarantee policies) in the Insurance Act, then it may only be issued by licensed insurers.
- 21.3 This approach had been laid down by the High Court in the cases *Becker and Another v Registrar of Financial Services Providers and Others* (6127 4/2015) [2017] ZAGPPHC 926 (30 November 2017) and *Fern Finance (Pty) Ltd and Another v Financial Services Tribunal and Others* (13261/2021) [2022] ZAGPPHC 746 (13 October 2022). The courts' decisions in *Becker* and *Fern Finance* have never been overturned by a higher court.
- 21.4 The FSCA is of the view that although the *Becker* and *Fern Finance* decisions were decided in the context of the STI Act, the approach laid down by the Court applies equally to the Insurance Act. These cases may be accessed via the following links: <https://www.saflii.org/za/cases/ZAGPPHC/2017/926.html> and <https://www.saflii.org/za/cases/ZAGPPHC/2022/746.html>.
- 21.5 At the date of this report, a High Court application was pending wherein the applicant seeks a declaratory order to the effect that the guarantees described in the application fall under the National Credit Act and do not constitute insurance products under the Insurance Act. The FSCA is opposing the application, which is currently proceeding in the Gauteng Division, Pretoria of the High Court under Case Number: 020740/2023.
- 21.6 The FSCA has conducted multiple investigations into such cases and has imposed various sanctions over time. During the reporting period, the FSCA concluded four investigations involving entities or individuals issuing guarantee policies without holding the requisite insurance licence. Although some of the FSCA's decisions have been challenged through legal processes, none of these challenges have been successful to date.
- 21.7 Unregistered insurance business involving guarantee policies remains a significant concern and a key enforcement priority. Recently, the FSCA has become aware of several instances where municipalities have suffered financial losses due to the failure of unlicensed guarantors to honour claims. In some instances, this has escalated to civil litigation.



Legal Finality in Key Case

21.8 Below is a case study, involving Ms Ilse Becker, Mr Eugene Becker, and Fusion Guarantees (Pty) Ltd, who were investigated for conducting unregistered insurance business in the form of guarantee business, and who unsuccessfully applied to High Court to have certain provisions of the FSR Act which concern the exercise of regulatory powers by the FSCA, declared unconstitutional.

Box 9: Becker and Others v FSCA and Others 2024 (2) SA 348 (SCA)

CASE STUDY

BECKER AND OTHERS V FINANCIAL SERVICES CONDUCT AUTHORITY AND OTHERS 2024 (2) SA 348 (SCA)

The background facts briefly stated are that Ms Ilse Becker and Mr Eugene Becker respectively, (the Beckers) are the directors of the third appellant (Fusion Guarantees (Pty) Ltd (Fusion)). Fusion's business involved offering guarantees and sureties. An investigation conducted by the FSCA in respect of Fusion's business concluded that Fusion's business of offering guarantees constituted a contravention of the Short-Term Insurance Act 53 of 1998 in that they conducted unregistered insurance business. Based on the investigation findings, the FSCA gave notice to Fusion and the Beckers of the FSCA's preliminary intention to impose in terms of section 167 of the Financial Sector Regulation Act No.9 of 2017 (FSR Act) an administrative penalty of R200 million on Fusion, and in terms of section 154 of the FSR Act to debar the Beckers for a period of 15 years. The Beckers and Fusion challenged the constitutionality of these sections before the High Court. The High Court dismissed the application. With its leave, the Beckers and Fusion brought an appeal before the Supreme Court of Appeal (SCA) challenging, amongst others, the constitutionality of sections 154 (debarment procedures) and 167 (penalty procedures) of the FSR Act.

Before the SCA Fusion and the Beckers (hereafter referred to as the Appellants) contended that sections 154 and 167 of the FSR Act affords any person who might be subject to such a sanction to make representations to the FSCA only before the FSCA decides whether to impose such sanctions. But such protection is not extended before the FSCA first decides whether there was a contravention of a financial sector law. This they argue does not protect them as they are deprived of the opportunity to make representations to the FSCA before the FSCA decides whether they contravened a financial sector law. They contended that this constituted a breach of section 33 of the constitution (that provides that everyone has the right to administrative action that is lawful, reasonable and procedurally fair). Consequently, this renders the FSCA's power impose sanctions in terms of ss 154 and 167 invalid.

The court stated that "Section 154(1), as we have observed, requires the FSCA to invite submissions before making a debarment order. The FSCA must give the person affected the draft debarment order 'along with reasons for and other relevant information about the proposed debarment'. The reasons for, and relevant information concerning, the proposed debarment order must necessarily traverse why the order is required. As a matter of law, a debarment order can only be required if there has been a contravention of a financial sector law. The reasons must therefore engage why it is that the FSCA considers there to be a basis to conclude that such a contravention has taken place. The reasons are given to permit a person against whom a debarment order may be made to offer informed submissions. Section 154(1) refers to a proposed debarment. The FSCA has not made a decision to make a debarment order when it invites submissions. It may do so, but only once it has invited submissions and considered them, before taking a decision".

The court further stated that by parity of reasoning the challenge to s 167 must also fail. It went on to state that section 167 of the FSR Act "requires the authority to have regard to submissions 'relevant to the matter'".



Nothing is more relevant to the matter than the issue as to whether a person has contravened a financial sector law, the very predicate upon which any imposition of an administrative penalty rests. It follows, then, here too, that the FSCA can make no final decision as to whether a contravention has taken place until it has considered the submissions of the person alleged to have contravened a financial sector law.”

Fusion and the Beckers lodged an appeal to the constitutional court against the judgment of the SCA. The Constitutional Court has refused the appeal on the basis that it bears no prospects of success.

SCA judgment: [\(Click here\)](#)
Constitutional Court leave order: [\(Click here\)](#)

22.FAIS REGULATORY EXAMINATIONS

FSCA investigations

- 22.1 The FSCA reported previously that it had established a dedicated investigation team to address potential fraud related to the FAIS Regulatory Examinations (RE examinations). These examinations are designed to assess the competence of FSPs, their key individuals, and representatives. Specifically, the RE examinations test knowledge, understanding, and application of the FAIS Act, the FIC Act, and other financial sector laws.
- 22.2 The investigations cover a range of fraudulent activities, including:
- Identity fraud
 - Social media scams
 - Presentation of forged RE certificates

Table 14: Investigations into RE examination fraud

RE Examination Fraud Investigation Breakdown	#
Investigations carried over from 2023/2024 financial year	18
New investigations registered in year under review	88
Investigations finalised during the year under review	75
Cases handed over to the Police*	9
Individuals debarred during the year under review for RE Examination Fraud **	32
Investigations carried over to 2025/2026 financial year	31

*The FSCA referred these cases to the South African Police Service, as the individuals involved were not authorised representatives at the time the fraudulent activities occurred. As a result, the FSCA lacked the jurisdiction to impose regulatory sanctions. However, the FSCA’s investigation team continues to actively support the SAPS with ongoing investigations.

**Total number of active representatives as of June 2025 was 185,606.

**Table 15: List of persons debarred for RE examination fraud during 2024-2025**

Debarred Persons	Debarment Period (in years)
Ms Phoyise Mokgwathi	5
Ms Mapule Msengane	5
Ms Lereng Makitla	5
Mr Ushen Ajodha	10
Mr Gabofele Thabo Gumede	10
Mr Jerome Terence Moodley	10
Mr Bayanda Gama	10
Ms Maria Elizabeth Coetser	5
Ms Lynah Ebenezar Ndlovu	10
Mr David Kgopotso Mashile	10
Ms Kgabo Ephania Molokomme	5
Mr Samukelo Stuart Khuzwayo	7
Mr Siviwe Phela	10
Mr Neo Mofokeng	5
Ms Nontokozo Joice Mdaniso	5
Ms Tamariceh Julia Ncube	5
Ms Hlayisani Califonia Manganyi	5
Mr Micala Gin Naransamy	10
Mr Bongani Mkuzangwe	10
Mr Luzuko Pakade	5
Mr Mthobisi Fairhope Mathebula	10
Mr Bongani Simon Zondo	5
Mr Paurosia Nthangeni Maliavusa	10
Ms Nompumelelo Mkumla	10
Mr Jabulani Mkhaliphi	4
Mr Zandile Hintsho	5
Mr Knowledge Songezo Mdleldle	10
Ms Bongekile Verronicah Madonsela	10
Mr Malose Titus Kgole	5
Mr Njabulo Nkadimeng	5
Mr Neo Chris Karabo Mabena	5
Ms Sarsha-Lee Frank (RE Exam)	5



Due Diligence and Verification of Qualifications

- 22.3 The incentive to obtain fraudulent Regulatory Examination certificates can be significantly reduced through rigorous due diligence and verification processes by FSPs. However, it has been observed that some FSPs terminate representatives who submit fraudulent certificates and remove them from the representative register without initiating formal debarment proceedings. These individuals are then often re-employed by other FSPs, perpetuating the risk to the industry and the public.
- 22.4 This trend underscores the critical need for greater collaboration between the FSCA and the financial services industry to strengthen consumer protection mechanisms. To address this, the FSCA intends to intensify its supervisory efforts and raise awareness about the importance of considering debarment in cases involving misconduct. Communication 38 of 2024 (FAIS) was issued to emphasize the seriousness of these issues and their broader implications for the integrity of the financial sector.

Scammers Operating In The RE Examination Space

- 22.5 An emerging and concerning trend involves scammers targeting candidates—particularly those who have failed the Regulatory Examination—by offering fraudulent online exams and fake certificates. These scams often involve the misuse of candidates' personal registration information, further compounding the risk.
- 22.6 Fraudsters frequently use counterfeit invoices bearing the logo of the official examination body to create a false sense of legitimacy. Social media platforms, especially RE examination support groups, have become a primary channel for these scams, where fraudsters exploit candidates seeking guidance and support.
- 22.7 In response, the FSCA issued a public warning to raise awareness of these deceptive practices and strongly urged individuals to verify RE qualifications directly with the FSCA to ensure authenticity.

23. NON-COMPLIANCE WITH AML/CFT RISK AND CONTROL FRAMEWORK

- 23.1 The FIC Act was enacted to, among other objectives, impose compliance obligations on accountable institutions such as financial services providers, managers of collective investment schemes, and authorised users of an exchange. These obligations are designed to mitigate the risks of money laundering, terrorist financing, and proliferation financing. The FIC Act requires accountable institutions to establish and maintain a robust internal AML/CFT risk and control framework.
- 23.2 The FSCA is mandated to supervise and enforce compliance with the FIC Act. It is important to note that the FSCA's role does not extend to investigating or prosecuting actual instances of money laundering or terrorist financing—these functions fall within the remit of the SAPS and the NPA. The absence of proven money laundering or terrorist financing activity does not absolve accountable institutions from their compliance obligations under the FIC Act.
- 23.3 Recent FSCA enforcement actions highlight several recurring areas of non-compliance, including:
-



- **Inadequate Risk Management and Compliance Programme (RMCP):** Many institutions fail to properly develop, document, maintain, and implement an RMCP. An effective RMCP must enable the institution to identify, assess, monitor, mitigate, and manage the risks associated with its products and services potentially being used for illicit purposes. The FIC Act prescribes minimum standards for RMCPs, which must be supported by sound governance structures. A well-implemented RMCP is critical not only for institutional protection but also for preserving the integrity of South Africa's financial system
- **Deficient Customer Due Diligence (CDD):** Institutions often fall short in conducting appropriate CDD, including ongoing monitoring and the identification of beneficial owners. Conducting appropriate CDD based on the money laundering/ terrorism financing/ proliferation financing (ML/TF/PF) risk assessment of individual clients enables institutions to understand the nature, purpose and intention of the business relationship, and to effectively monitor transactions. This also allows institutions to identify when a simplified CDD will be sufficient and should be applied in support of financial inclusion, and when conducting enhanced CDD is necessary. Effective CDD is essential to detect and prevent the infiltration of criminal elements into the financial system.
- **Failure to Screen Against Targeted Financial Sanctions (TFS) Lists:** Institutions are required to screen clients against TFS lists issued by the United Nations Security Council. If a client is identified on a TFS list, the institution must report this to the FIC and immediately freeze all related transactions.

23.4 The FSCA has demonstrated its commitment to enforcing these requirements, as evidenced by administrative sanctions imposed during the year under review.

Table 16: Administrative sanctions for failure to comply with the FIC Act

#	INSTITUTION NAME	FINDINGS	SANCTIONS
1	Mika Finansiële Dienste (Pty) Ltd (FSP 2046)	<ul style="list-style-type: none">• Failure to adequately develop, document, maintain and implement an RMCP.• Failure to identify and verify the beneficial ownership of clients.	<ul style="list-style-type: none">• Directive to remediate• R1,1 million financial penalty (R600 000 conditionally suspended for 3 years)•
2	Sunlight Financial Services (Pty) Ltd (FSP 32190)	<ul style="list-style-type: none">• Failure to adequately develop, document, maintain and implement an RMCP.• Failure to train employees on the RMCP and the FIC Act.• Failure to screen clients against the TFS lists.	<ul style="list-style-type: none">• Directive to remediate;• Caution not to repeat the non-compliance.• R600 000 financial penalty (R300 000 conditionally suspended for 3 years)•
3	Wealth Portfolio Managers (Pty) Ltd (FSP 180)	<ul style="list-style-type: none">• Failure to adequately develop, document, maintain and implement an RMCP.• Failure by the board of directors or senior management to ensure compliance with the FIC act and RMCP.• Failure to conduct CDD.• Failure to screen clients against the TFS lists.	<ul style="list-style-type: none">• Directive to remediate.• Caution not to repeat the non-compliance.• Reprimands.• R200 000 financial penalty.



#	INSTITUTION NAME	FINDINGS	SANCTIONS
4	Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd (CIS 28)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. • Failure to identify and verify the beneficial ownership of clients. 	<ul style="list-style-type: none"> • Directive to remediate. • R1,6 million financial penalty (R600 000 conditionally suspended for 3 years).
5	Ninety One Fund Managers SA (RF) (Pty) Ltd (CIS 16)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. • Failure to conduct CDD. • Failure to identify and verify the beneficial ownership of clients. 	<ul style="list-style-type: none"> • Directive to remediate. • Caution not to repeat the non-compliance. • R3 million financial penalty (R500 000 conditionally suspended for 3 years).
6	Adams Chrambanis and Associates CC (FSP 11858)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. • Failure to conduct CDD. • Failure by the board of directors or senior management to ensure compliance with the FIC act and RMCP. • Failure to screen clients against the TFS lists. 	<ul style="list-style-type: none"> • Directive to remediate; • Caution not to repeat the non-compliance. • Reprimand. • R785 000 financial penalty (R300 000 conditionally suspended for 3 years).
7	ID Capital (Pty) Ltd (FSP 10953)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. 	<ul style="list-style-type: none"> • Directive to remediate. • R200 000 financial penalty (R100 000 conditionally suspended for 3 years).
8	Henk Kolver Investment Management Services CC (FSP 5385)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. • Failure to screen clients against the TFS lists. 	<ul style="list-style-type: none"> • Directive to remediate; • Caution not to repeat the non-compliance. • R300 000 financial penalty (R150 000 conditionally suspended for 3 years).
9	Donaldson Investment (Pty) Ltd (FSP 50485)	<ul style="list-style-type: none"> • Failure to adequately develop, document, maintain and implement an RMCP. • Failure to screen clients against the TFS lists. 	<ul style="list-style-type: none"> • Directive to remediate. • Caution not to repeat the non-compliance. • R200 000 financial penalty (R100 000 conditionally suspended for 3 years).



24. UNAUTHORISED CRYPTO RELATED FINANCIAL SERVICES

- 24.1 The FSCA previously reported that it had established a dedicated investigation team to investigate entities suspected of operating as crypto assets service providers (CASPs) without authorisation. This followed the formal declaration of crypto assets as financial products on 19 October 2022. In terms of the crypto regulations, entities that submitted their applications by 30 November 2023 were permitted to continue operating while their applications were under review.
- 24.2 As of 12 May 2025, the FSCA had received 453 licence applications from entities seeking authorisation as CASPs. Of these:
- 264 applications were approved,
 - 109 applications were voluntarily withdrawn following engagement with the FSCA, and
 - 11 applications were declined.
- 24.3 Following the expiry of the exemption period, the FSCA launched investigations into 36 entities suspected of operating as CASPs without authorisation. Of the 36 investigations: 21 investigations were closed after investigators confirmed that the entities ceased operations, did not commence operations, or operated within the terms of the exemption granted in the crypto regulations. There are 15 ongoing investigations.





Financial Sector Conduct Authority

Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens, Pretoria, 0002
012 428 8000
www.fsca.co.za

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