

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF SECTION  
10(3) READ WITH SECTION 10A OF THE FINANCIAL SERVICES BOARD ACT, 97  
OF 1990**

CASE NO: 11/2016

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES PROVIDERS**

Applicant

and

**REGAL FINANCIAL SERVICES PTY LTD**

Respondent

---

**ORDER**

---

WITH DUE CONSIDERATION to the settlement agreement (attached marked annexure "A") in terms of section 6B (7) (a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, I hereby determine that the Respondent contravened section 3A of the General Code of Conduct. I hereby impose a penalty of R 200 000 (Two Hundred Thousand Rand), payable inclusive of costs incurred by the Applicant in bringing this matter before the Enforcement Committee.

The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

Signed at **PRETORIA** on the .....<sup>19</sup> day of **October 2016**.



.....  
**C F Eloff**  
**Chairperson of the Enforcement Committee**

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF SECTION 10(3), READ WITH 10A OF THE FINANCIAL SERVICES BOARD ACT, 97 OF 1990**

CASE NO: 11/2016

In the matter of:

**REGISTRAR OF FINANCIAL SERVICES PROVIDERS**

Applicant

and

**REGAL FINANCIAL SERVICES PTY LTD**

Respondent

---

**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B (7) (a) OF THE FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS) ACT, 28 OF 2001**

---

**1. Parties to the Agreement**

1.1 The Applicant to these proceedings is the Registrar of Financial Services Providers ("the Registrar") herein represented by Mrs. Caroline Da Silva in her capacity as the Deputy Registrar of Financial Services Providers.

and

1.2 The Respondent is Regal Financial Services (Pty) Limited, trading as Regal ("Regal"), a company that is registered and incorporated in accordance with the company laws of the Republic of South Africa bearing the registration number 2014/167298/07, herein represented by Michael Hendry, who has been duly authorized to do so.

1.3 The Respondent has its registered office at Suite 104, Edward II, 76 Edward Street, Tyger Valley, Western Cape.

  
CBS

- 1.4 The Respondent is a juristic representative of an authorized financial services provider under FSP license 18147 issued in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 (the FAIS Act).

## 2. The Contravention

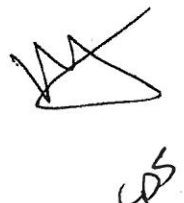
- 2.1. On 4 December 2014 section 3A of the General Code of Conduct ("GCoC") came into operation. This section reads as follows:

*"... No person may offer or provide a sign-on bonus to any person, other than a new entrant, as an incentive to become a Category I provider that is authorised or appointed to give advice."*

- 2.2. The Respondent offered a sign-on bonus (as defined in section 1 of the GCoC) of R100 000, to Mr T Davies as an incentive to become a representative of Discovery Life Limited, a Category I service provider in contravention of section 3A of the GCoC. This offer was linked to the acceptance of Mr Davies of the revised CNO offer made by Discovery Life on 5 December 2014.

## 3. The Mitigating Circumstances

- 3.1. The Registrar took into account that:
- 3.1.1. The Respondent fully co-operated with the Registrar during the investigation;
  - 3.1.2. The Respondent was open in sharing relevant information with the Registrar;
  - 3.1.3. The Respondent undertook to reverse and recover the sign-on bonus unlawfully provided to Mr Davies; and



Handwritten signature and initials, possibly 'WA' and 'CS'.

3.1.4. The CNO offer made to Mr Davies was not an offer made by the Respondent, in their own capacity as an FSP, to become a representative of the Respondent, but formed part of the CNO offer made Discovery Life Limited to Mr Davies.

#### 4. The Agreed Penalty

4.1. In light of the above, and in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the parties have agreed that the Respondent will pay a penalty of R200 000 (Two Hundred Thousand Rand), inclusive of costs incurred by the Applicant in bringing this matter before the Enforcement Committee (EC).

#### 5. Other conditions

- 5.1. This agreement is subject to approval by the EC and the parties specifically record that they are aware of the possibility that the EC may not accept the terms of this agreement. In such an event this agreement will be null and void and neither party will have any rights or obligations in terms hereof nor will this document be capable of being used in any proceedings against the Respondent in the future.
- 5.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the FSB to proceed with legal proceedings, the Respondent herewith consents to pay all legal costs to the FSB on the Attorney and Client scale in terms of the High Court Rules, inclusive of collection commission and Value Added Tax and interest on the outstanding amount, at the rate prescribed in terms of section 1 (2) of the Prescribed Rate of Interest Act, 55 of 1975.
- 5.3. No leniency or postponement given by the FSB to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the parties;

  
CDS

5.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB;

5.5. This agreement constitutes the whole agreement between the parties in respect of the offer to pay the penalty and costs.

5.6. The parties elect the addresses below as their *domicilium citandi et executandi* for the purposes of service of the EC order and any Notice or pleadings related to the breach of this agreement.

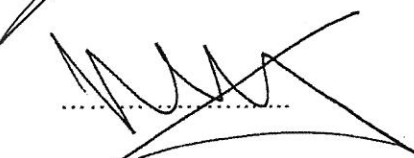
5.6.1. The Financial Services Board  
Block B, Riverwalk Office Park  
No. 41 Matroosberg Road  
Ashlea Gardens  
Pretoria

5.6.2. Regal Financial Services (Pty) Ltd  
1<sup>st</sup> Edward II  
76 Edward Street  
Tyger Valley  
Western Cape

Signed at PRETORIA on ...12.10.2016... on behalf of the Applicant.

  
.....  
Caroline Da Silva

Signed at Cape Town on 30<sup>th</sup> Sept 2016 on behalf of the Respondent

  
.....