

[TO BE PUBLISHED BY THE FSCA]

Case No: 2204

In the matter between:

The Financial Sector Conduct Authority

And

Mr Sello Victor Selwadi

Prestige FSP (Pty) Ltd

**ENFORCEABLE UNDERTAKING IN TERMS OF SECTION 151(1) OF THE FINANCIAL
SECTOR REGULATION ACT 9 OF 2017**

DEFINITIONS

1. For purposes of this undertaking, the following definitions shall apply:
 - 1.1. "**Prestige FSP**" means **Prestige FSP (Pty) Ltd**, a private company with limited liability, duly incorporated and registered in accordance with the company laws (*Companies Act No. 71 of 2008, as amended*) of the Republic of South Africa, under registration number 2013/023551/07, with its principal place of business situated at Co Eeden & Van Niekerk Str, Rosslyn East, Pretoria, Gauteng, 0200.
 - 1.2. "**Effective Date**" means the date on which this undertaking becomes enforceable which is upon signature by a duly authorised officer acting on behalf of the Authority.
 - 1.3. "**Enforceable Undertaking**" means this undertaking duly signed and concluded between the Authority, Selwadi and Prestige FSP.

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- 1.4. **"FAIS Act"** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.
- 1.5. **"The Authority"** means the Financial Sector Conduct Authority.
- 1.6. **"FSR Act"** means the Financial Sector Regulation Act No. 9 of 2017, as amended.
- 1.7. **"FSP"** means an authorised Financial Services Provider.
- 1.8. **"Selwadi"** means Mr Sello Victor Selwadi, the sole director of Prestige FSP.
- 1.9. **"Tribunal"** means the independent Financial Services Tribunal, a statutory body established in terms of section 219 of the FSR Act, with its principal place of business at Kasteel Office Park, Orange Building, 546 Jochemus street, Erasmuskloof, Pretoria, Gauteng.

COMPLAINT

2. The Authority is the market conduct regulator of financial institutions that are licensed in terms of a financial sector law. The Authority is empowered by the FSR Act to supervise and enforce compliance with financial sector laws.
3. The Authority received information that Prestige FSP was issuing funeral policies without having a licensed underwriter, which is a contravention of section 5 of the Insurance Act 18 of 2017 (the Insurance Act).
4. Selwadi confirmed that during the period from 1 January 2020 to 30 April 2023, Prestige FSP issued funeral policies without a licensed underwriter, therefore they conducted unregistered and self-insurance business.
5. Selwadi further confirmed that during the period from 1 January 2020 to 30 April 2023, Prestige FSP collected insurance premiums and processed claims.

INVESTIGATION AND CONTRAVENTIONS

6. The Authority commenced an investigation into the conduct of Prestige FSP and Selwadi, as empowered by section 135(1)(a) of the FSR Act. The enquiry was in respect of their conduct during the period 1 January 2020 to 30 April 2023, to

determine whether there was a reasonable suspicion of contraventions of the following financial sector law(s):

- 6.1. Section 7(1) of the FAIS Act which states that a person may not act or offer to act as a financial services provider unless such person has been issued with a license under section 8, or, unless such a person has been appointed as a representative of an authorised financial services provider under section 13 of the FAIS Act.
- 6.2. Section 5(1) of the Insurance Act which states that no person may conduct insurance business in the Republic unless that person is licensed under the Insurance Act.
7. The investigation revealed that during the period from 1 January 2020 to 30 April 2023, Prestige FSP issued funeral policies without having a licensed underwriter in contravention of Section 5(1) of the Insurance Act.
8. The investigation revealed that during the period from 1 January 2020 to 30 April 2023, Prestige FSP advised policyholders in respect of those funeral policies without having a FSP license and therefore contravened section 7(1) of the FAIS Act.
9. Selwadi, in his capacity as director of Prestige FSP, caused and/or permitted Prestige FSP to issue funeral policies without having a licensed underwriter and advised policyholders in respect of those funeral policies without having a FSP license.
10. Selwadi did not dispute his knowledge and/or involvement in the conduct of Prestige FSP and as a result, he caused and/or permitted the contraventions of sections 7(1) of the FAIS Act and 5(1) of the Insurance Act.
11. Prestige FSP and Selwadi have cooperated with the Authority and admitted all the facts and contraventions in respect of this investigation.

ENFORCEABLE UNDERTAKING

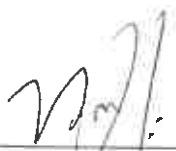
12. Prestige FSP and Selwadi gives the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:

- 12.1. In order to comply with 5(1) of the Insurance Act, they will move all insurance business to a licenced underwriter of their choice within 60 working days, from the date of the signature of this Enforceable undertaking;
- 12.2. In order to comply with 7(1) of the FAIS Act, Prestige FSP, Selwadi and all their representatives are registered as juristic representatives/ representatives of an authorised FSP, within 14 working days from the date of the signature of this Enforceable undertaking;
- 12.3. They will ensure that at all relevant times their clients' insurance business is placed with a licensed underwriter; and
- 12.4. They will ensure that at all relevant times Prestige FSP and all its representatives are registered as juristic representatives/ representatives of an authorised FSP.

NON-COMPLIANCE WITH THE UNDERTAKING

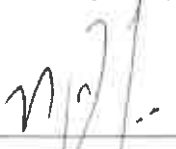
13. Prestige FSP and Selwadi understand that if any term contained in this Enforceable Undertaking is breached or contravened, the Authority:
 - 13.1. may impose an administrative penalty against Prestige FSP and/or Selwadi on the basis of joint and several liability;
 - 13.2. may debar Prestige FSP and Selwadi; and/or
 - 13.3. may approach the Tribunal to make certain orders in respect of the Enforceable Undertaking.
14. Prestige FSP and Selwadi acknowledge that they are familiar with all the provisions of section 151 of the FSR Act.

DATED AT PRETORIA ON THIS 16th DAY OF MAY 2023.



Mr Sello Victor Selwadi

(On behalf of Prestige FSP)



Mr Sello Victor Selwadi

(In his personal Capacity)

The aforesaid Enforceable Undertaking is accepted by the Financial Conduct Authority in terms of section 151(1) of the Financial Sector Regulation Act, 2017

DATED AT PRETORIA ON THIS 18th DAY OF JUNE 2023.



Gerhard van Deventer

(For the Authority)