

Fax. +27 12 345 6941

### ITO BE PUBLISHED BY THE FSCAL

Case No: 1898

In the matter between:

The Financial Sector Conduct Authority

And

Mr Jouzef Thomas Mabhena

Mr Thabo Klaas Nkoana

Elexzia Group (Pty) Ltd

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

# **DEFINITIONS**

- 1. For purposes of this undertaking, the following definitions shall apply:
- 1.1. "Ababhuti Funeral Pajour" means Elexzia Group (Pty) Ltd t/a Ababhuti Funeral Palour 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 2022/384929/07, with its principal place of business situated at 2495 Vezubuhle, Kwa-Mhlanga, Mpumalanga, 1022.
- 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, Ababhuti Funeral Palour, Nkoana and Mabhena.

**Executive Committee:** 

- 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. "Mabhena" means Mr Jouzef Thomas Mabhena, a director of Ababhuti Funeral Palour.
- 1.8. "Nkoana" means Mr Thabo Klaas Nkoana, a director of Ababhuti Funeral Palour.
- 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 Ababhuti Funeral Palour issued funeral policies without having an underwriter, which is a contravention of section 5 of the Insurance Act 18 of 2017 (the Insurance Act) and section 7(1) of the Financial Advisory and Intermediary Services Act 37 of 2004 (FAIS Act).

#### INVESTIGATION AND CONTRAVENTIONS

- 4. The Authority commenced an enquiry into the conduct of Ababhuti Funeral Palour, Nkoana and Mabhena, as empowered by section 131(1)(a) of the FSR Act. The enquiry was to determine whether there was a reasonable suspicion of contraventions of:
  - 4.1. 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

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- as a representative of an authorised financial services provider under section 13: and
- 4.2. 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 Act.
- 5. Nkoana and Mabhena, in their capacities as directors of Ababhuti Funeral Palour, caused and/or permitted Ababhuti Funeral Palour to issue funeral policies without having a licensed underwriter. Nkoana and Mabhena further advised and collected premiums and processed claims on behalf of policyholders.
- 6. Nkoana and Mabhena did not dispute their knowledge and/or involvement in the conduct of Ababhuti Funeral Palour and as a result, they caused and/or permitted the contraventions of sections 7(1) of the FAIS Act and 5(1) of the Insurance Act. Ababhuti Funeral Palour and Nkoana and Mabhena have admitted all the contraventions.

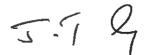
## **ENFORCEABLE UNDERTAKING**

- 7. Ababhuti Funeral Palour and Nkoana and Mabhena give the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:
  - 7.1. They will ensure that at all relevant times their clients' insurance business is placed with a licensed underwriter; and
  - 7.2. They will ensure that at all relevant times Ababhuti Funeral Palour and its representatives are appointed as a representative of an authorised financial services provider under section 13 of the FAIS Act.

#### NON-COMPLIANCE WITH THE UNDERTAKING

- 8. Ababhuti Funeral Palour, Nkoana and Mabhena understand that if any term contained in this Enforceable Undertaking is breached or contravened, the Authority:
  - 8.1. may impose an administrative penalty against Ababhuti Funeral Palour, Nkoana and/or Mabhena on the basis of joint and several liability;
  - 8.2. may debar Ababhuti Funeral Palour, Nkoana and/or Mabhena; and/or





| 8.3. | may approach             | the | Tribunal | to | make | certain | orders | in | respect | of | the |
|------|--------------------------|-----|----------|----|------|---------|--------|----|---------|----|-----|
|      | Enforceable Undertaking. |     |          |    |      |         |        |    |         |    |     |

| 9. | Ababhuti  | Funeral | Palour, | Nkoana | and/or | Mabhena | acknowledge | that | they | are |
|----|---|---------|---------|--------|--------|---------|-------------|------|------|-----|
|    | familiar with all the provisions of section 151 of the FSR Act. |         |         |        |        |         |             |      |      |     |

| DATED AT_ | FSCA | _ ON THIS _ | 09 DAY OF       | Jarch          | 2023.           |
|-----------|------|-------------|-----------------|----------------|-----------------|
|           |      |             | Lece            | A              | Mr.             |
|           |      |             | Mr Nkoana       | an             | ////<br>Mabhena |
|           |      |             | (On behalf of A | babhuti Funera | ai Palour)      |
|           |      |             |                 | Aller          | )               |
|           |      |             | Mr Jou          | ze Thomas N    | Mabhena         |
|           |      |             | (1)             | n his personal | capacity)       |
|           |      |             |                 | Jan 1          |                 |
|           |      |             | Mr              | r Thabo Klaas  | Nkoana          |

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 185 DAY OF FUNE 2023.

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GE Kedibone Dikokwe 770

-(For the Authority)

Gerhard van Deventer

(in his personal capacity)

(For the Authority)