

In the matter between:

THE FINANCIAL SECTOR CONDUCT AUTHORITY

and

FA ALLARD AND SONS FUNERAL UNDERTAKERS CC

and

MR DARIO ALLARD

**ADMINISTRATIVE PENALTY ORDER IN TERMS OF SECTION 167 OF THE
FINANCIAL SECTOR REGULATION ACT NO. 9 OF 2017**

1. The Financial Sector Conduct Authority (Authority) found that during the period 1 January 2019 to 8 January 2020 and September 2020, FA Allard and Sons Funeral Undertakers CC (Allard) and Mr Dario Allard (Mr D Allard), contravened the following financial sectors laws:
 - 1.1. Section 7 of the Financial Advisory and Intermediary Services Act 37 of 2002, (FAIS Act); and
 - 1.2. Section 5 of the Insurance Act 18 of 2017 (Insurance Act)
2. Section 7(1) of the FAIS Act 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 such a person has been appointed as a representative of an authorised financial services provider under section 13 of the FAIS Act.
3. Further section 5 of the Insurance Act states that no person may conduct insurance business in the Republic unless that person is licensed under the Insurance Act.
4. According to the Authority's records, Allard was not licensed or authorised as an insurer in terms of section 5 of the Insurance Act.

5. Further neither Allard nor Mr D. Allard were authorised as financial services providers in terms of section 7 of the FAIS Act. Therefore, they were not licensed or authorised either to render financial services or to issue any form of insurance policies, including funeral policies.
6. Mr D. Allard directed and controlled the activities of Allard. Mr D. Allard collected premiums from clients in respect of funeral policies, this was in contravention of section 7 of the FAIS Act. Mr D. Allard also admitted that he paid claims for funeral policies whilst not being authorised as an insurer and therefore contravened section 5 of the Insurance Act.
7. The Authority imposes an administrative penalty of **R20 000 (inclusive of costs)** on Mr D. Allard and an administrative penalty of **R50 000 (inclusive of costs)** on Allard, in terms of section 167(1)(a) of the Financial Sector Regulation Act No. 9 of 2017 (FSR Act).
8. The penalties are payable within 30 days from the date of this order.
9. If Mr D. Allard and Allard fails to pay the administrative penalties within the period prescribed by this order, in terms of section 169 of the FSR Act, interest, at the rate prescribed in terms of the Prescribed Rate of Interest Act, 1975 (Act 55 of 1975), will be payable in respect of any unpaid portion of administrative penalty until it is fully paid.
10. Failure to comply with this order will result in the provisions of section 170 of the FSR Act being invoked, which reads as follows:

“(1) The responsible authority that makes an administrative penalty order may file with the registrar of a competent court a certified copy of the order if-

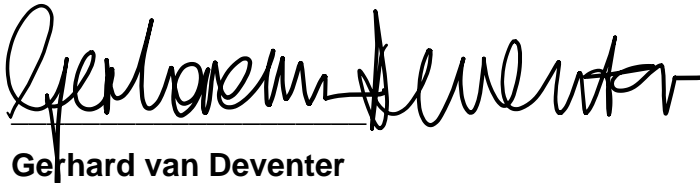
- (a) the amount payable in terms of the order has not been paid as required by the order; and*

(b) *either-*

- (i) *no application for reconsideration of the order in terms of a financial sector law, or for judicial review in terms of the Promotion of Administrative Justice Act of the Tribunal's decision, has been lodged by the end of the period for making such applications; or*
- (ii) *if such an application has been made, proceedings on the application have been finally disposed of.*

(2) *The order, on being filed, has the effect of a civil judgment, and may be enforced as if lawfully given in that court."*

Signed at Pretoria on 2 September 2023.

A handwritten signature in black ink, appearing to read 'Gerhard van Deventer', written over a horizontal line.

Gerhard van Deventer
Divisional Executive:
Enforcement