

[TO BE PUBLISHED BY THE FSCA]

Case No: 1951

In the matter between:

The Financial Sector Conduct Authority

And

Mr Papani Maceve

Mhlangaveza Family Assurance (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. “**Mhlangaveza**” means **Mhlangaveza Family Assurance (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 2012/152807/07, with its principal place of business situated at 772-777 4th St, Marlboro, Sandton, Johannesburg, 2090.
 - 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.

Executive Committee:

Commissioner: U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

- 1.3. “**Enforceable Undertaking**” means this undertaking duly signed and concluded between the Authority and Mhlangaveza.
- 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. “Maceve” means Mr Papani Maceve, a director of Mhlangaveza.
- 1.8. “**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 or required to be licenced in terms of financial sector laws. The Authority is empowered by the FSR Act to supervise and enforce compliance with financial sector laws.
3. The Authority received information that Mhlangaveza issued funeral policies without having an underwriter, which is a contravention of section 5 of the Insurance Act 18 of 2017 (the Insurance Act).
4. Maceve has confirmed that from **1 January 2022** to **28 February 2024**, Mhlangaveza advised a total of **50** clients, collected a total amount of **R 240 000** in premiums and settled a total number of **six** claims valued at **R 24 000**.
5. Maceve further confirmed that the **50** clients/policyholders were not placed with any licensed insurer.

INVESTIGATION AND CONTRAVENTIONS

6. The Authority commenced an enquiry into the conduct of Mhlangaveza and Maceve, as empowered by section 135(1)(a) of the FSR Act. The enquiry was in respect of their conduct during the period 01 January 2022 to 30 May 2023, to determine whether there was a reasonable suspicion that the aforementioned persons contravened:
 - 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; and
 - 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 Act.
7. During the period from **1 January 2022** to **38 February 2024**, Maceve, caused and/or permitted Mhlangaveza to issue funeral policies without having a licensed underwriter. Maceve further caused and/ or permitted Mhlangaveza to collect premiums and processed a claim in respect of Mhlangaveza's policy holder.
8. Maceve did not dispute his knowledge and/or involvement in the conduct of Mhlangaveza and as a result, he caused and/or permitted the contraventions of sections 7(1) of the FAIS Act, 5(1) of the Insurance Act. Mhlangaveza and Maceve have admitted all the contraventions.

ENFORCEABLE UNDERTAKING

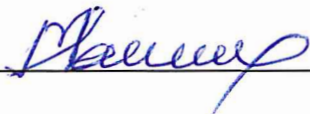
9. Mhlangaveza and Maceve, tender the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act.
 - 9.1. They will regularise their business within 90 days from the date of signing this Enforceable Undertaking; and

- 9.2. They will ensure that at all relevant times their clients' insurance business is placed with a licensed underwriter.

NON-COMPLIANCE WITH THE UNDERTAKING

10. Mhlangaveza Family Assurance and Maceve, understands that if any term contained in this Enforceable Undertaking is breached or contravened, the Authority:
- 10.1. may impose an administrative penalty against Mhlangaveza and Maceve, on the basis of joint and several liability;
 - 10.2. may debar Mhlangaveza and Maceve; and/or
 - 10.3. may approach the Tribunal to make certain orders in respect of the Enforceable Undertaking.
11. Mhlangaveza and Maceve, acknowledge that they are familiar with all the provisions of section 151 of the FSR Act.

DATED AT Marlboro ON THIS 14 DAY OF March 2024.



Mr Papani Maceve

(On behalf of Mhlangaveza Family Assurance)

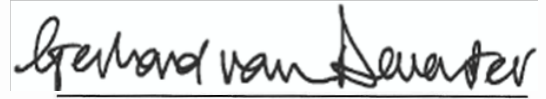


Mr Papani Maceve

(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 **25** DAY OF **March** 2024.

A handwritten signature in black ink, reading "Gerhard van Deventer", is enclosed in a thin black rectangular box. The signature is written in a cursive style.

Gerhard van Deventer

(For the Authority)