

[TO BE PUBLISHED BY THE FSCA]

Case No: 0089

In the matter between:

The Financial Sector Conduct Authority

And

Abethu Funerals CC

Ms Namvuzo Melody Poswa

**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. **“Abethu”** means **Abethu Funeral CC**, a close cooperation, duly incorporated and registered in accordance with the Companies Act No. 71 of 2008 of the Republic of South Africa, under registration number 2010/051735/23, with its principal place of business situated at 100 Alexandra Road, King Williams Town, 5600.
 - 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 and Abethu.
 - 1.4. **“FAIS Act”** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.

Executive Committee:

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

- 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. **"Poswa"** means Ms Namvuzo Melody Poswa, a member of Abethu.
- 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. On 23 May 2024, the Authority received a complaint from Mr Sandile Jerry Tsholoba that Abethu failed to honor a funeral claim and was issuing funeral policies (insurance business) without having an insurer, which was a contravention of section 5(1) of the Insurance Act 18 of 2017 (the Insurance Act).
4. Poswa confirmed that from 1 January 2020 to 31 December 2024, Abethu advised a total of 25 clients, collected a total amount of R 124 800 in premiums and settled a total number of 25 claims valued R 100 000
5. Poswa further confirmed that the 25 clients/policyholders Abethu advised were never placed with any licensed insurer.

INVESTIGATION AND CONTRAVENTIONS

6. On 1 June 2024, the Authority commenced an investigation into the conduct of Abethu and Poswa, in terms of section 135(1)(a) of the FSR Act. The investigation was in respect of their conduct during the period 1 January 2020 to 31 December 2024, 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 provides 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 provides 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 31 December 2024, Abethu and Poswa, collected **R 124 000** premiums and settled **25** claims valued **R100 000** on behalf of policyholders. Abethu issued funeral policies without having a licensed underwriter in contravention of Section 5(1) of the Insurance Act.
8. Poswa did not dispute their knowledge and/or involvement in the conduct of Abethu 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.
9. Abethu and Poswa have cooperated with the Authority and admitted all the facts and contraventions in respect of this investigation.


ENFORCEABLE UNDERTAKING

10. Abethu and Poswa gives the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:
- 10.1. They will ensure that at all relevant times their clients’ insurance business is placed with a licensed underwriter.

NON-COMPLIANCE WITH THE UNDERTAKING

11. Abethu and Poswa understand that if any term contained in this Enforceable Undertaking is breached or contravened, the Authority:
- 11.1. may impose an administrative penalty against Abethu, Poswa on the basis of joint and several liability;
- 11.2. may debar Poswa; and/or
- 11.3. may approach the Tribunal to make certain orders in respect of the Enforceable Undertaking.
12. Abethu and Poswa acknowledge that they are familiar with all the provisions of section 151 of the FSR Act.

DATED AT King Williams Town ON THIS 11th DAY OF FEBRUARY 2025.



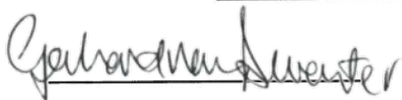
Ms Namvuzo Melody Poswa
(On behalf of Abethu)



Ms Namvuzo Melody Poswa
(In her 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 8 DAY OF April 2025.



Gerhard van Deventer

Gerhard van Deventer

(For the Authority)