

**[TO BE PUBLISHED BY THE FSCA]**

**Case No: 2184**

**In the matter between:**

**The Financial Sector Conduct Authority**

**And**

**LJ African Funerals (Pty) Ltd**

**Ms Louisa Suzanne Jaftha**

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

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**DEFINITIONS**

1. For purposes of this undertaking, the following definitions shall apply:
  - 1.1. **"Africa Funerals"** means **LJ African Funerals (Pty) Ltd**, a private company with limited liability, duly incorporated and registered in accordance with the Companies Act No. 71 of 2008 of the Republic of South Africa, under registration number 2020/803584/07, with its principal place of business situated at 10 Aalwyn Court, Brighton, Oudtshoorn, 6625 "
  - 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 African Funerals and Jaftha.

- 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. **"Jaftha"** means Ms Louisa Suzanne Jaftha, a director of African Funerals.
- 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 25 April 2023, the Authority received information that African Funerals was issuing funeral policies (insurance business) without having an insurer, which was a contravention of section 5 of the Insurance Act 18 of 2017 (the Insurance Act).
4. Jaftha has confirmed that from **1 August 2023 to 31 October 2023**, African Funerals advised a total of 150 clients, collected a total amount of R34,350 in premiums and settled a total number of 2 claims valued R30,000.
5. Jaftha further confirmed that the 150 clients/policyholders African Funerals advised were never placed with any licensed insurer.

## **INVESTIGATION AND CONTRAVENTIONS**

6. On 24 July 2023, the Authority commenced an investigation into the conduct of African Funerals and Jaftha, in terms of section 135(1)(a) of the FSR Act. The investigation was in respect of their conduct during the period 1 April 2023 to 31 October 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 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 August 2023 to 31 October 2023**, African Funerals and Jaftha, collected R.....<sup>34350</sup> premiums and settled <sup>30.000</sup> ~~2~~ claims valued R..... on behalf of policyholders. African Funerals 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 August 2023 to 31 October 2023**, African Funerals advised policyholders in respect of those funeral policies without having a FSP license and therefore contravened section 7(1) of the FAIS Act.

9. Jaftha did not dispute their knowledge and/or involvement in the conduct of African Funerals 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.

10. African Funerals and Jaftha have cooperated with the Authority and admitted all the facts and contraventions in respect of this investigation.

11. African Funerals and Jaftha have placed their funerals business with New Era Life Insurance Limited from 17 November 2023.

### **ENFORCEABLE UNDERTAKING**

12. African Funerals and Jaftha gives the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:

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

### NON-COMPLIANCE WITH THE UNDERTAKING

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

DATED AT Oudtshoorn ON THIS 25 DAY OF May 2024.

Jaftha

Ms Louisa Suzanne Jaftha

(On behalf of African Funerals)

Jaftha

Ms Louisa Suzanne Jaftha

(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 14th DAY OF MAY 2025.

Gerhard van Deventer

Gerhard van Deventer

(For the Authority)