
**DIRECTIVE IN TERMS OF SECTION 144(1) and (2) OF THE FINANCIAL
SECTOR REGULATION ACT, 9 OF 2017**

To: Ms. Madika Ellen Maduna (Director)

Dikanyana Funeral Parlour (Pty) Ltd
1836 Mokhothu Street
Bothaville
Free State

Per email: dikanyana43@gmail.com

1. DEFINITIONS

For the purposes of this Directive, the following definitions shall apply:

- 1.1. **“Dikanyana”** means Dikanyana Funeral Parlour (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 2016/114165/07, with its principal place of business situated at 1836 Mokhothu Street, Bothaville Free State.
- 1.2. **“Ms Maduna”** means Ms. Madika Ellen Maduna, director and key person of Dikanyana Funeral Parlour (Pty) Ltd.
- 1.3. **“Effective date”** means the date on which this directive becomes enforceable which is upon signature by a duly authorised officer acting on behalf of the Authority.
- 1.4. **“FAIS Act”** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.

Executive Committee:

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

- 1.5. “**FSR Act**” means the Financial Sector Regulation Act No. 9 of 2017 as amended.
- 1.6. “**Insurance Act**” means the Insurance Act, No. 18 of 2017, as amended,
- 1.7. “**The Authority**” means the Financial Sector Conduct Authority.
- 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.

2. BACKGROUND FACTS

- 2.1. On 6 June 2024, the Authority received a formal complaint concerning a funeral policy held with **Dikanyana Funeral Parlour (Pty) Ltd** (Dikanyana), wherein the complainant's uncle was the policyholder. The complainant alleged that her uncle paid a monthly premium of R240 to Dikanyana in exchange for policy benefits, specifically a coffin and burial services.
- 2.2. The complainant further alleged that she had previously encountered substandard service from Dikanyana in relation to a separate funeral insurance claim and burial services, and did not wish her uncle to endure a similar experience. Consequently, she requested the transfer of her uncle's funeral insurance policy from Dikanyana to an alternative funeral parlour, after suspecting that Dikanyana was neither an authorised Financial Services Provider (FSP) nor a licensed insurer.
- 2.3. The complainant sought the transfer of the funeral policy to ensure her uncle would be exempt from the six-month waiting period typically imposed on new funeral insurance policy by new funeral parlours/insurers.
- 2.4. On 15 January 2025, we sent an electronic mail to Ms. **Madika Ellen Maduna** (Ms. Maduna), the sole director and key person of Dikanyana requesting proof that Dikanyana and Ms Maduna were authorised FSP, and that the insurance business was underwritten with a licensed insurer. However, Ms. Maduna failed to respond to our request.
- 2.5. On 28 January 2025, the investigators conducted an on-site visit to the premises of Dikanyana, during which Ms. Maduna conceded to providing financial advice and issuing insurance policies to clients without requisite authorisation and license. During this visit, Ms. Maduna committed to providing the investigators with the necessary authorisation to

confirm her status as an FSP, as well as proof of underwriting for Dikanyana's insurance business operations.

- 2.6. On 10 February 2025, we attempted to contact Ms. Maduna; however, she did not respond to our telephonic communications.
- 2.7. Upon thorough review and consideration, it has been determined that Dikanyana and Ms Maduna have failed to comply with sections 7(1) of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act) and 5(1) of the Insurance Act No. 18 of 2017 (Insurance Act), and they have not cooperated with the ongoing investigation and reasonable requests of the investigators.
- 2.8. The lack of cooperation constitutes a direct contravention of section 139(2) of the Financial Sector Regulations Act No. 9 of 2017 (FSR Act), which requires full compliance and cooperation with reasonable requests from investigators.
- 2.9. The Authority hereby issues this Directive in accordance with sections 144(1) and (2) of the FSR Act. The reasons for the Directive are delineated below.

3. REASONS FOR THE DIRECTIVE

Furnishing advice

- 3.1. The Authority's records indicate that Dikanyana is not an authorised FSP pursuant to section 8 of the FAIS Act. In terms of section 7(1) of the FAIS Act, Dikanyana and Ms Maduna are prohibited from rendering financial services unless authorised under section 8 of the FAIS Act.
- 3.2. Ms. Maduna admitted that during **2 January 2020 to 31 December 2024**, Dikanyana and Ms. Maduna, in her capacity as the director and key person of Dikanyana, furnished advice to clients without being authorised as an FSP. Despite her undertaking, Ms. Maduna failed to provide proof that Dikanyana is an authorised FSP or a Juristic Representative of an authorised FSP, thereby contravening section 7(1) of the FAIS Act.

Conducting insurance business

- 3.3. During the period from **2 January 2020 to 31 December 2024**, Dikanyana and Ms. Maduna issued funeral policies to members of the public who paid monthly premiums of R240. In return for these premiums, Dikanyana provided policy benefits, including coffins and funeral services. Ms. Maduna admitted that Dikanyana is not a licensed insurer and failed to provide proof of underwriting.
- 3.4. Dikanyana and Ms Maduna are prohibited in terms of section 5(1) of the Insurance Act No.18 of 2017 (Insurance Act), to conduct insurance business in the Republic unless licensed as such. Dikanyana is not a licensed insurer and could not provide proof of underwriting, therefore contravened section 5(1) of the Insurance Act.

Lack of cooperation with the Authority

- 3.5. Dikanyana and Ms. Maduna were required to comply with the above-mentioned reasonable requests on **15 January 2025** and **28 January 2025**, respectively. In accordance with section 139(1) of the FSR Act, no individual may intentionally or negligently interfere with or hinder the conduct of an investigation.
- 3.6. In accordance with section 139(2) of the FSR Act, subject to section 140, an individual who is given a notice must comply with the requirements set out in the notice.
- 3.7. In accordance with section 139(4) of the FSR Act, no individual may, except with a lawful excuse, refuse or fail to comply with any reasonable request by an investigator in connection with the conduct of an investigation.
- 3.8. Dikanyana and Ms. Maduna, without lawful excuse, failed to comply with the reasonable requests of the investigators and interfered with and/or hindered the conduct of this investigation, thereby contravening sections 139(1), (2), and (4) of the FSR Act.
- 3.9. This conduct poses a significant risk to all current and prospective policyholders of Dikanyana, as Dikanyana may be unable to honour valid and legitimate claims of clients.

4. OPPORTUNITY TO MAKE SUBMISSIONS

- 4.1. The FSCA, pursuant to section 144(1) and (2) of the FSR Act, hereby directs Dikanyana to immediately:

- 4.1.1 Cease all financial service operations, including offering insurance benefits, paying out claims, and receiving premiums from clients.
- 4.1.2 Cease accepting new clients and/or processing new client applications.
- 4.1.3 Disallow the entry into any new policies by existing clients.
- 4.1.4 Fully inform all its clients, within three days of receiving this Directive, of the current state of affairs of Dikanyana.
- 4.1.5 In consultation with the clients and product suppliers concerned, transfer any outstanding business of clients to another authorised FSP within 7 days from the date of this Directive, ensuring that the transfer is in the best interest of the clients. Dikanyana must copy the FSCA with all such communications and correspondence.

5. INTERNAL REMEDY

5.1. Attention is drawn to the provisions of:

- 5.1.1. Section 149(1) of the FSR Act, which mandates compliance with the directives. Non-compliance with these directives may constitute a breach of financial sector law.
- 5.1.2. Sections 230 and 231 of the FSR Act state that any person aggrieved by a decision may apply to the Tribunal for reconsideration of the decision. Neither an application for reconsideration of a decision nor the proceedings on the application suspend the decision of the decision-maker unless the Tribunal orders otherwise.

5.2. The Tribunal may be contacted at Applications@fstribunal.co.za.



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Kedibone Dikokwe

Divisional Executive: Conduct of Business Supervision