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

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**To:** **Mr Zandisile Christopher Stali (Director)**  
Ubomi Unlimited Projects (Pty) Ltd t/a Ubomi Fire Protection  
17 Hostel Street  
Khayalitsha  
Cape Town, 7784

**Per email:** [zstali@pgwc.gov.za](mailto:zstali@pgwc.gov.za)

### **BACKGROUND FACTS**

1. On 21 October 2023, the Financial Sector Conduct Authority (the Authority) received a complaint from Mr Craig Knowles (Mr Knowles) regarding Ubomi Unlimited Projects (Pty) Ltd t/a Ubomi Fire Protection (Ubomi).
2. Mr Knowles stated that Ubomi was offering short-term insurance without being authorised or underwritten by a licensed insurer.
3. The Authority hereby issues this Directive in terms of section 144(1) and (2) of the Financial Sector Regulations Act No. 9 of 2017 (FSR Act). The reasons for the Directive are set out below.

## **REASONS FOR THE DIRECTIVE**

4. According to the Authority's records, Ubomi is not registered to provide any financial services. The Authority is of the opinion that Ubomi is currently providing insurance benefits without being underwritten by a licensed insurer.
5. Ubomi provides financial services in the form of non-life insurance business to its clients. According to Ubomi Facebook page, Ubomi provides a cover for fire on informal dwellings in return for R30 monthly premiums. Ubomi Facebook page further stated that there was six months' waiting period.<sup>1</sup> In this regard, Ubomi was conducting a non-life insurance business.
6. According to financial sector laws a company providing such insurance must be a licensed insurer or be underwritten by such. Ubomi is neither a licensed insurer nor is it underwritten by a licensed insurer.
7. This poses a significant risk to all current and prospective policy holders of Ubomi, because Ubomi might not be able to honour valid and legitimate claims of clients.
8. The above conduct might be in contravention of:
  - 8.1. Section 7(1) of the Financial Advisory and Intermediary Services Act 37 of 2002; and
  - 8.2. Section 5 of the Insurance Act 18 of 2017.

## **THE DIRECTIVE**

9. The Authority, in terms of section 144(1) and (2) of the FSR Act hereby direct **Ubomi** with immediate effect to:
  - 9.1. cease **all** financial service operations, including offering insurance benefits, receiving premiums from clients and paying out claims.
  - 9.2. cease accepting new clients and/or processing new client applications.
  - 9.3. disallowing any new policies to be entered into by new and existing clients.

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<sup>1</sup> Annexure A: Ubomi Facebook page (written in isiXhosa)

- 9.4. fully inform all its clients, within three days of receiving this directive, of the contents of this directive.
- 9.5. Ubomi must in consultation with its clients and product suppliers concerned, within seven days from date of this directive, transfer any outstanding business of its clients to another authorised financial services provider in a manner that will be in the best interest of the clients and must copy the Authority with all such communications and correspondence.

### **INTERNAL REMEDY**

10. Attention is invited to the provisions of: -

- 10.1. section 149(1) of the FSR Act, which compels compliance with the directives. Failure to comply with these directives may constitute a failure to comply with financial sector law; and
- 10.2. Sections 230 and 231 of the FSR Act, which states that (a) any person aggrieved by a decision may make application to the Tribunal for a reconsideration of the decision; and (b) neither an application for a reconsideration of a decision, nor the proceedings on the application, suspends the decision of the decision-maker unless the Tribunal so orders. The Tribunal may be contacted at [Applications@fstribunal.co.za](mailto:Applications@fstribunal.co.za).

SIGNED AT **PRETORIA** ON 18 February 2025.



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**Kedibone Dikokwe**  
**Divisional Executive: Conduct of Business Supervision**