

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

**Case No: 470**

**In the matter between:**

**The Financial Sector Conduct Authority**

**And**

**Soul City No 1 Funeral Parlour CC**

**And**

**Amashiba Amahle Funeral Parlour Pty (Ltd)**

**And**

**Nkosinathi Frederick Mkhwanazi**

---

**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. **“Soul City”** means **Soul City No 1 Funeral Parlour CC**, a private company with limited liability, duly incorporated and registered in accordance with the Close Corporations Act 69 of 1984 of the Republic of South Africa under registration number 2007/027857/23, with its principal place of business situated at 36 Jan van Riebeeck Street, Ermelo, 2351.

NIF

- 1.2. **"Amashiba Amahle"** means **Amashiba Amahle Funeral Parlour (Pty) Ltd**, a private company with limited liability, duly incorporated and registered in accordance with the Companies Act 71 of 2008 of the Republic of South Africa under registration number 2025/184116/07, with its principal place of business situated at 22 Murray Street, Ermelo, Mpumalanga, 2350.
- 1.3. **"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.
- 1.4. **"Enforceable Undertaking"** means this undertaking duly signed and concluded between the Authority, Mr Mkhwanazi, Soul City and Amashiba Amahle.
- 1.5. **"FAIS Act"** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.
- 1.6. **"The Authority"** means the Financial Sector Conduct Authority.
- 1.7. **"FSR Act"** means the Financial Sector Regulation Act No. 9 of 2017 as amended.
- 1.8. **"FSP"** means an authorised Financial Services Provider.
- 1.9. **"Mr Mkhwanazi"** means Mr Nkosinathi Frederick Mkhwanazi, a director of Soul City and Amashiba Amahle.
- 1.10. **"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

N.T.

empowered by the FSR Act to supervise and enforce compliance with financial sector laws.

3. On 30 September 2024, the Authority received information that Soul City 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. On 28 February 2025, Mr Mkhwanazi transferred the business of Soul City into Amashiba Amahle, and both entities are now the investigated parties.
5. Mr Mkhwanazi confirmed that from **1 October 2022 to 30 June 2025**, Soul City and Amashiba Amahle advised a total of **220** clients, collected a total amount of **R 13 000** in premiums and settled a total number of **50** claims valued **R 35 000**.
6. Mr Mkhwanazi further confirmed that the clients/policyholders of Soul City and Amashiba Amahle are currently not placed with any licensed insurer.

#### **INVESTIGATION AND CONTRAVENTIONS**

7. On 17 November 2024, the Authority commenced an investigation into the conduct of Mr Mkhwanazi, Soul City and Amashiba Amahle in terms of section 135(1)(a) of the FSR Act. The investigation was in respect of their conduct during the period **1 October 2022 to 12 May 2025**, to determine whether there was a reasonable suspicion of contraventions of the following financial sector law(s):
  - 7.1. 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 of the FAIS Act"*.
  - 7.2. 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"*.
8. During the period from 1 October 2022 to 12 May 2025, Mr Mkhwanazi, caused and/or permitted Soul City and Amashiba Amahle to issue funeral policies without

N.F.



having a licensed underwriter. Mr Mkhwanazi further caused and/ or permitted Soul City and Amashiba Amahle to collect premiums and processed claims in respect of Soul City and Amashiba Amahle' policy holders.

9. Mr Mkhwanazi did not dispute their knowledge and/or involvement in the conduct of Soul City and Amashiba Amahle and as a result, they caused and/or permitted the contraventions of sections 7(1) of the FAIS Act, 5(1) of the Insurance Act. Mr Mkhwanazi, Soul City and Amashiba have admitted all the contraventions.

#### **ENFORCEABLE UNDERTAKING**

10. Mr Mkhwanazi, Soul City and Amashiba Amahle gives the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:

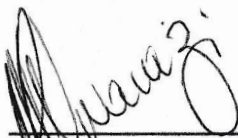
- 10.1. They will provide proof of their insurance business underwriting on the date of signing this enforceable undertaking;
- 10.2. They will ensure that all their representatives are added to the representative register of a financial service provider or an underwriter on the date of signing this Enforceable Undertaking; and
- 10.3. They will ensure that at all relevant times their clients' insurance business is placed with a licensed underwriter.


#### **NON-COMPLIANCE WITH THE UNDERTAKING**


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

N.F

SIGNED AT Pretoria ON THIS 14<sup>th</sup> DAY OF August 2025.

  
\_\_\_\_\_  
Mr Nkosingathi Frederick Mkhwanazi  
(On behalf of Soul City)

  
\_\_\_\_\_  
Mr Nkosingathi Frederick Mkhwanazi  
(On behalf of Amashiba Amahle)

  
\_\_\_\_\_  
Mr Nkosingathi Frederick Mkhwanazi  
(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

SIGNED AT Pretoria ON THIS 20th DAY OF August 2025.

  
\_\_\_\_\_

Gerhard van Deventer

(For the Authority)

N.F.