

FSCA Press Release

15 October 2020

FSCA withdraws the license of Basfour 3773 (Pty) Ltd t/a Oinvest (FSP 42020) and debars Ms. Jane Engelbrecht

The Financial Sector Conduct Authority (FSCA) has withdrawn the FSP license of Basfour 3773 (Pty) Ltd trading as Oinvest (FSP 42020), debarred Ms. Jane Engelbrecht who is the sole director, Key Individual (KI) and a representative of Basfour, for a period of 10 years and imposed an administrative penalty of R 58 608 810 on Basfour.

Basfour was previously authorised by the FSCA as a Category I financial services provider to render intermediary services in respect of forex investments and derivatives. Basfour in essence operated from 11 April 2012, with only a nominal presence in South Africa.

The FSCA commenced an investigation after having received several complaints from members of the public, which revealed that Basfour:

- Provided financial advice to clients whilst it was not authorised to do so;
- Traded as principal with its clients whilst advising its clients to enter into such transactions, and without disclosing that Basfour was the counterparty to the client transactions;
- Unduly pressurised its clients to make deposits and trade on the platform;
- Failed to process withdrawals timeously; and
- Failed to disclose material information such as the fees and risks associated with the trading.

Basfour therefore materially contravened section 7(1)(a) and section 13(3) of the FAIS Act, Condition 3 of Basfour's licence, section 2 and 11 of the General Code and section 3(1) (b) to (e), (i) and (h) of the Forex Code. The clients of Basfour, for the period 1 January 2018 to 30 August 2019, suffered losses of at least R 58 608 810.

Transitional Management Committee:

DP Tshidi (Commissioner) CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela P Mogase

The FSCA has therefore decided to:

- Impose an administrative penalty of R 58 608 810 on Basfour in terms of section 167(1)(a) of the Financial Sector Regulation Act No.9 of 2017 (the FSR Act);
- Withdraw the license of Basfour (license number 42020); and
- Debar Ms. Jane Engelbrecht, who is the sole director, Key Individual (KI) and a representative of Basfour, for a period of 10 years.

ENDS

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