

**FSCA Press Release**

**16 October 2024**

## **The FSCA provisionally withdraws the FSP licence of Banxso (Pty) Ltd**

The Financial Sector Conduct Authority (FSCA) has provisionally withdrawn the licence of Banxso (Pty) Ltd FSP 37699 (Banxso). The FSCA issued a media statement on 19 April 2024 informing the public that it was investigating Banxso. The media statement can be accessed via the following link:

[https://www.fsca.co.za/News%20Documents/FSCA%20Press%20Release%20-%20FSCA%20is%20investigating%20Banxso%20\(Pty\)%20Ltd\\_19%20April%202024.pdf](https://www.fsca.co.za/News%20Documents/FSCA%20Press%20Release%20-%20FSCA%20is%20investigating%20Banxso%20(Pty)%20Ltd_19%20April%202024.pdf).

The FSCA has taken this step because it is concerned that there may be a risk of harm to clients and/or the general public if Banxso continues its operations as a financial services provider. The provisional withdrawal is based on preliminary investigation findings regarding the activities of Banxso and its possible association with the Immediate Matrix deepfake advertisements. The FSCA is amongst others also concerned about the apparent aggressive and pressurised sales techniques used by Banxso agents when selling financial products to clients, promises of unrealistic returns, the failure to conduct the required risk and needs analyses prior to placing clients in specific financial products, and material losses suffered by clients.

The FSCA emphasises that this is a provisional withdrawal of Banxso's license based on provisional investigation findings. Once the investigation is finalised, the FSCA will consider the investigation and any submissions by Banxso. In the interim, Banxso has been provided with an opportunity to provide reasons for the possible lifting of the provisional withdrawal.

The FSCA also brought this matter to the attention of the Financial Intelligence Centre (the FIC). On 2 October 2024, the FIC intervened and placed a hold on seven Banxso bank accounts, in terms of section 34 of the Financial Intelligence Centre Act, 38 of 2001. On 4 October 2024, Banxso approached the Western Cape High Court for an order lifting the hold on the bank accounts. On 8 October 2024 the court ruled against Banxso and the hold was maintained.

The FSCA also brought the matter to the attention of the Asset Forfeiture Unit of the National Prosecuting Authority (the NPA). The National Director of Public Prosecutions successfully applied for a preservation order of the funds in the bank accounts on 14 October 2024, in terms of section 38 of the Prevention of Organised Crime Act, 1998.

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### **Executive Committee:**

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

The FSCA will update members of the public in due course regarding its decisions in this matter.

**END**

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