

**FSCA Press Release**

**18 November 2022**

**FSCA fines IFX Brokers Holdings (Pty) Ltd R50 000 for contravening financial sector laws**

The Financial Sector Conduct Authority (the FSCA) has imposed an administrative penalty of R50 000 on IFX Brokers Holdings (Pty) Ltd (IFX Brokers Holdings). The FSCA found that IFX Brokers Holdings contravened section 2 of the Over-the-Counter Derivative Provider (ODP) Regulations published under Government Notice R98 in Government Gazette 41433 of 9 February 2018, in terms of the Financial Markets Act, 2012 (the FMA), and section 111(1) of the Financial Sector Regulation Act, 2017 (the FSR Act).

An investigation revealed that IFX Brokers Holdings offered its clients the means to trade Contracts for Difference (CFDs) through Metatrader 4 and Metatrader 5 trading platforms. IFX Brokers Holdings has a Category 1 license and is authorised to provide advice and render intermediary services in respect of several products, inclusive of derivative instruments, but exclusive of forex investments. IFX is not an authorised ODP as envisaged in the ODP Regulations.

The FSCA took several mitigating circumstances into account, including that IFX Brokers Holdings fully co-operated with the investigation, has not contravened a financial sector law before and conceded that its activities fall within the scope and ambit of the ODP Regulations in that it sells and markets ODP derivatives. The Authority accepted in favour of IFX Brokers Holdings that non-compliance was not because of a wilful desire to evade the applicable regulations but as a result of erroneous understanding of the legal position and requirements. IFX Brokers Holdings did submit an application for the authorisation as an ODP, but after the deadline of 14 June 2019.

**ENDS**

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