

FSCA Press Release

10 May 2023

FSCA fines JP Markets SA (Pty) Ltd R100 000 for contravening financial sector laws

The Financial Sector Conduct Authority (the FSCA) has imposed an administrative penalty of R100 000 on JP Markets SA (Pty) Ltd (JP Markets) for contravening section 2 of the Over-the-Counter Derivative Provider (ODP) Regulations.

An investigation revealed that JP Markets provided clients with the opportunity to trade in Contracts for Differences (CFDs) relating to forex pairs, shares and indices on a trading platform whilst JP Markets was not authorised to act as an ODP. JP Markets conducted unauthorised ODP business as envisaged in section 2 of the ODP Regulations.

The FSCA applied for the liquidation of JP Markets in terms of section 96 of the Financial Markets Act No. 19 of 2012 (FMA) and section 38B of the Financial Advisory and Intermediary Services Act 37 of 2002 (the FAIS Act) to, amongst others, protect the interest of the public. JP Markets was liquidated by the High Court on 8 September 2020. The Supreme Court of Appeal (the SCA) overturned the liquidation order on 20 October 2021 on the basis that the honourable Court believed the liquidation not to have been a just and equitable remedy in the circumstances. However, the SCA confirmed that the business of JP Markets fell within the definition of an ODP.

ENDS

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