FSCA Press Release **09 September 2026**

FSCA imposes administrative sanctions on several Financial Services Providers

The Financial Sector Conduct Authority (FSCA) has imposed administrative sanctions on the following financial services providers (FSPs) for failing to comply with certain provisions of the Financial Intelligence Centre Act, No. 38 of 2001 (FIC Act):

- Sithembile Holdings (Pty) Ltd: FSP 50876 (Sithembile);
- Mbuli Finance (Pty) Ltd: FSP 50831 (Mbuli); and
- Mmela Financial Services (Pty) Ltd: FSP 20557 (Mmela).

All three entities are licensed FSPs under the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (FAIS Act) and accountable institutions under the FIC Act. The FSCA is responsible for supervising and enforcing compliance of FSPs with the FIC Act. The objective of the FIC Act is, among other things, to help combat money laundering, the financing of terrorism and other related criminal activities. All accountable institutions designated under the FIC Act must comply fully with its requirements.

The FSCA conducted inspections on the sanctioned entities as part of its ongoing supervisory activities in terms of section 45B of the FIC Act. The inspections revealed the entities to be in breach of one or more provisions of the FIC Act as follows:

- **Sections 42(1) and 42(2):** Accountable institutions must develop, document, maintain and implement risk management and compliance programmes (RMCPs) for anti-money laundering (AML), counter-terrorist financing (CTF) and counter proliferation financing (CPF). An RMCP must enable the accountable institution to identify, assess, monitor, mitigate and manage the risk that the provision by the institution of new and existing products or services may involve or facilitate money laundering activities, the financing of terrorist and related activities or proliferation of financing activities. The FIC Act sets out the minimum information that must be specified in an RMCP.

Although Mbuli and Mmela had RMCPs in place at the time of the inspections, the RMCPs were found to be non-compliant in that they failed to make provision for one or more of the processes and procedures contemplated in sections 42(1) and (2) of the FIC Act.

- **Sections 21A, 21C read with section 22:** Accountable institutions are required to conduct customer due diligence which includes, among others, the identification and verification of customers, establishing the identity of persons acting on behalf of a customer, obtaining information on the nature of the business relationship and obtaining beneficial ownership information. Furthermore, accountable institutions are required to keep records of information obtained pertaining to customers or prospective customers pursuant to sections 21 to 21H the FIC Act. Mmela failed to conduct the requisite customer due diligence on its clients and failed to keep records of customer due diligence information in the format required under the FIC Act.

- **Section 28A read with section 26B:** Accountable institutions are required to scrutinise the information of all current and prospective clients against the official Targeted Financial Sanctions (TFS) lists of the United Nations Security Council. If an accountable institution finds that a client or prospective client is listed on the TFS lists, it must report such client to the Financial Intelligence Centre (FIC) and freeze the client's accounts, assets and services provided. Mmela and Mbuli failed to scrutinise information about its clients against the TFS lists.

- **Directive 8 of 2023** read with Public Compliance Communication (PCC) 55: Accountable institutions must screen prospective employees and current employees for competence and integrity periodically, in a risk-based manner. Additionally, accountable institutions must scrutinise information relating to prospective and current employees against the TFS Lists. At the time of the inspection, Mbuli had not screened a key employee, who serves as both the Key Individual (under the FAIS Act) and Money Laundering Control Officer (under the FIC Act), against the TFS Lists.

- **Section 43B:** Accountable institutions are required to, within the prescribed period and in the prescribed manner, register with the FIC. At the time of the inspection, Mbuli had not registered as such with the FIC.

- **Section 43A(3):** The FIC or designated supervisory body is empowered to issue written directives requiring accountable institutions to provide specified information within a period stipulated in the directive.

  On 27 May 2024, the FSCA issued a Directive to Provide Information (DPI) in terms of section 43A(3) of the FIC Act to all accountable institutions under its supervision. The directive required accountable institutions to submit information relating to their compliance with the provisions of the FIC Act. Mbuli failed to provide the information required in terms of the DPI within the prescribed period.

  On 27 February 2026, the FSCA issued a further directive to Sithembile in terms of section 43A(3) of the FIC Act, requiring the submission of specified information in preparation for a planned onsite inspection. Sithembile failed to provide the requested information to the FSCA, thereby failing to comply with the directive.

In light of the above contraventions and based on an assessment of various factors applicable to each institution respectively, including recognition of their nature, size and complexity, the FSCA issued directives to the institutions to remediate the identified deficiencies and imposed the following administrative sanctions:

- Sithembile was fined R100 000;
- Mbuli was fined R220 000; and
- Mmela was fined R450 000, of which R225 000 is conditionally suspended for three years.

Mmela has paid the applicable financial penalty, while Mbuli has entered into a payment arrangement with the FSCA to settle the amount owed. Sithembile has not yet paid the amount owed.

The above sanctions serve as clear reminders that the FSCA will not tolerate non-compliance with the FIC Act. Accountable institutions are urged to continually review and enhance their anti-money laundering and terrorist financing controls at the highest levels and to conduct thorough risk assessments on a regular basis. Failure to do so will result in firm regulatory action.

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