

FSCA debars and imposes an administrative penalty on Mr Coenraad Barend Nolte Botha

The Financial Sector Conduct Authority (FSCA) has imposed an administrative penalty of R216 051 141 million on Mr Coenraad Barend Nolte Botha (Botha) and debarred him for a period of ten years.

Mr Botha, through CBI X SA (Pty) Ltd (CBI X SA) and CBI Association (CBI entities) solicited investments from members of the public by promising unrealistic returns of 1% to 4% per week on the invested funds. The FSCA investigation disclosed that there was no legitimate financial product or investment activity that generated the purported returns paid to the investors by Botha and CBI entities.

The FSCA found that Mr Botha, CBI X SA and CBI Association materially contravened section 11(1) of the Banks Act No. 94 of 1990.

The public is urged to act with care when investing their funds. There are many fraudsters operating scams, and the number is growing. South Africans lose millions of rands every year to fraudsters. Illegal operations are sometimes well-disguised as legitimate operations.

Red flags for scams include unrealistic returns that is offered, claims that the entity or person does not require an FSCA licence, vague information about the investment product, or the company that provides the financial product, claims that the investor must act urgently, and requirements to pay more money over to have their investment returned to them.

To avoid unnecessary risk, the public should not accept any financial advice, assistance or investment offers from persons who are not authorised by the FSCA to conduct financial services. Authorised financial services providers must display the fact that they are authorised on their documentation and explain what specific financial services they are licensed for. If this is absent, the public should avoid paying any funds to such a person without investigating it further.

When in doubt, the public is advised to consult with an authorised financial service provider.

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