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SOUTH AFRICAN RESERVE BANK
Prudential Authority

ADMINISTRATIVE PENALTY ORDER (ISSUED IN TERMS OF SECTION 167(1) OF THE FINANCIAL SECTOR REGULATION ACT 9, 2017 (ACT NO. 9 OF 2017))

1. The Prudential Authority (PA) hereby imposes an administrative penalty of R1 650 000 (one million six hundred and fifty thousand rands) in terms of section 167(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA) on the Professional Provident Society Insurance Company Limited (PPS Insurance).
2. In light of the mitigating factors considered by the PA, the administrative penalty of R1.650 million (one million, six hundred and fifty rands) will be wholly suspended for a period of five years from the date the penalty is imposed, subject to PPS Insurance not committing a similar offence during this period.
 - a) The penalty arises from the contravention of section 38(1)(e) of the Insurance Act, 2017 (Act no. 18 of 2017) (Insurance Act), where, without necessary approvals, PPS Insurance granted various inter-company loans to subsidiaries.
 - b) In determining the appropriate administrative penalty, the PA has considered the factors set out in section 167(2) of the FSRA as well as the submission made by PPS Insurance. The PA views the non-compliance with financial sector laws in a serious light.

Fundi Tshazibana

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F Tshazibana
Chief Executive Officer

Date: 20/11/23