



SOUTH AFRICAN RESERVE BANK

## **Media statement**

**24 July 2025**

### **Steinhoff Group investigation**

1. The South African Reserve Bank (“SARB”) conducted an extensive and complex investigation into the affairs of Steinhoff International Holdings N.V. (“Steinhoff”) and related persons and/or entities (the “Steinhoff Group” now known as the “Ibex Group”) in relation to possible contraventions of the Exchange Control Regulations, 1961 (“the Exchange Control Regulations”) as promulgated under the Currency and Exchanges Act, 1933. Pursuant to its investigation, the SARB took administrative action against certain entities within and/or associated with the Steinhoff Group as a result of alleged non-compliance with the provisions of the Exchange Control Regulations.
2. During December 2017, the discovery of the now well-known accounting irregularities in the Steinhoff Group resulted in the immediate and sharp decline in Steinhoff’s share price on both the Frankfurt and Johannesburg stock exchanges, eroding approximately 90% of the company’s market capitalisation. The Steinhoff Group’s external debt owed to its financial creditors exceeded EUR10 billion (approximately ZAR155 billion) at the time. This company crisis threatened the Steinhoff Group’s continued existence and risked consequences, including forced asset sales or “fire sales”, significant losses to South African and foreign financial institutions and investors, and extensive job losses in South Africa and abroad. It also risked significantly affecting South Africa’s reputation as one of the most robust and well-regulated financial markets in the world.
3. To prevent an uncontrolled liquidation and mitigate the financial distress facing the Steinhoff Group, complex multi-jurisdictional debt restructuring and settlement processes were implemented between 2018 and 2023. These

processes resulted in the Steinhoff Group fully repaying over ZAR28 billion owed to South African banks in 2018 as well as compensation to other South African investors amounting to approximately ZAR18.5 billion as part of the Global Settlement, which Global Settlement involved a total settlement value of approximately ZAR29.6 billion at the time, and was approved and sanctioned by international and local courts. The Public Investment Corporation was one of the main beneficiaries of the Global Settlement due to its investment in the Steinhoff Group, to the benefit of its pension fund members. South African creditors and banks were able to exit and recover all or most of their money, as foreign creditors agreed to a restructuring of their debt and deferral of their rights. These foreign financial creditors granted forbearance of their claims against members of the Steinhoff Group, ultimately to 30 June 2026, to enable the settlement of various other creditors first, who were mainly South African.

4. Beginning in early 2023, various disputes arose between the Ibex Group and the SARB relating to administrative actions taken by the SARB against Ibex Group companies arising from various alleged contraventions of the Exchange Control Regulations revealed by the investigation (“the Alleged Contraventions”). These disputes resulted in multiple legal proceedings between the parties, including the intervention of at least one of the Ibex Group’s financial creditors. One of these disputes involved the forfeiture for the benefit of the State of an amount of approximately ZAR6.3 billion, and others concerned blocking and prohibition orders issued by the SARB over funds and assets of the Ibex Group, which arose as part of the investigation of the Alleged Contraventions.
5. Pursuant to legal advice received and after careful consideration by the SARB, all the disputes between the Ibex Group and the SARB were ultimately resolved in a comprehensive settlement. In coming to the settlement agreement and fully and finally resolving the disputes between them, the SARB and the Ibex Group considered the public interest, the SARB’s mandate of enforcing the Exchange Control Regulations, and the importance of enhancing investor confidence in South Africa and promoting regulatory certainty by allowing the Ibex Group to settle its contractual obligations to its foreign financial creditors.

6. In fulfilling these aims, ZAR6.3 billion, plus interest, of Ibex Group funds was forfeited to the State in full and final settlement of the SARB's enforcement action against the Ibex Group in relation to the Alleged Contraventions, and the Ibex Group withdrew its legal challenge to the forfeiture. In addition, the SARB has granted permissions to the Ibex Group to implement and take all steps that are necessary for the Ibex Group to implement its Dutch court-approved structured winding down process and to repay its creditors and pay operational expenses. By agreement between the SARB and Ibex Group, the High Court has set aside the prohibition orders restricting the Ibex Group's ability to deal with certain of its shares in Pepkor Holdings Limited, and the SARB has agreed not to take any further administrative or enforcement action against the Ibex Group in respect of the Alleged Contraventions. Furthermore, the Ibex Group and the SARB, with the support of the majority of the Ibex Group's current creditors, have withdrawn all the litigation instituted by them, and the Ibex Group and the financial creditors have abandoned the judgments obtained in the course of the litigation.
7. Both the SARB and the Ibex Group consider the settlement reasonable, proportionate and justifiable in light of the complex and competing interests. Considering the long history of the Steinhoff/Ibex matter, the wider ramification of the continued dispute between the SARB and the Ibex Group for investor appetite for future investments in South Africa, and the interests in finality, the SARB and the Ibex Group consider this final settlement to be in the best interests of South Africa.

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