

 P O Box 427 Pretoria 0001 South Africa
 370 Helen Joseph Street Pretoria 0002
 +27 12 313 3911 / 0861 12 7272
 www.resbank.co.za



SOUTH AFRICAN RESERVE BANK
Prudential Authority

**ADMINISTRATIVE PENALTY ORDER ISSUED IN TERMS OF SECTION 167 (1) OF
THE FINANCIAL SECTOR REGULATION ACT 9 OF 2017:
MOMENTUM INSURE COMPANY LIMITED**

The Prudential Authority (PA) hereby imposes an administrative penalty of R9 689 390 (nine million, six hundred and eighty-nine thousand, three hundred and ninety rand) in terms of section 167(1) of the Financial Sector Regulation Act 9 of 2017 (FSR Act) on Momentum Insure Company Limited (Momentum Insure).

Of the penalty amount of R9 689 390, an amount of R4 844 695 (four million, eight hundred and forty-four thousand, six hundred and ninety-five rand) must be paid within 14 working days. The remaining amount of R4 844 695 will be suspended for a period of three years from the date of the penalty being imposed, subject to Momentum Insure not committing a similar offence during this period.

The R4 844 695 penalty amount must be paid within 14 working days from the date of this order.

The penalty arises from following contraventions of the Insurance Act 18 of 2017 (Insurance Act) and the Prudential Standard GOI 5 (GOI 5):

- a) Momentum Insure contravened section 15(1) of the Insurance Act by failing to notify the PA within 30 days of the appointment of key persons.
- b) Momentum Insure contravened section 16(1) of the Insurance Act by failing to notify the PA within 30 days of the termination of key persons.
- c) Momentum Insure contravened section 30(4)(f)(v) of the Insurance Act, read with sections 4.10 and 7.1 of GOI 5, by entering an outsourcing arrangement without at least 30 days prior notification to the PA.
- d) Momentum Insure contravened section 9.4 of the GOI 5 requirements by failing to submit the termination of an outsourcing arrangement within one week of the date of termination.

In determining the appropriate administrative penalty, the PA considered the factors set out in section 167(2) of the FSR Act. The PA views the non-compliance with financial sector laws in a serious light.

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Fundi Tshazibana
Chief Executive Officer

Date: