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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 of 2017 (Viva Life Insurance Limited)

The Prudential Authority (PA) hereby imposes an administrative penalty of R3 000 000 (three million rand) in terms of section 167(1) of the Financial Sector Regulation Act 9 of 2017 (FSRA) on Viva Life Insurance Limited (Viva Life). R2 000 000 (two million rand) of the penalty amount is suspended for a period of three years from the date of this order and is subject to Viva Life not committing a similar offence during this period. The remaining penalty of R1 000 000, inclusive of costs, must be paid within 14 working days from the date of this order.

The penalty arises from the following contraventions of the Insurance Act No. 18 of 2017 (Insurance Act), by Viva Life:

- a. Viva Life failed to adopt, implement and document an effective governance framework in terms of section 30(1)(a) of the Insurance Act by participating in a cash sweeping transaction without approval from the board and without proper documentation and oversight which resulted in Viva Life failing to meet its Minimum Capital Requirement;
- b. Viva Life failed to meet its Minimum Capital Requirement for the period 1 August 2019 until 13 February 2020, as required in terms of section 36(1) of the Insurance Act; and
- c. Viva Life failed to obtain the PA's approval in terms of section 38(1)(e) of the Insurance Act before concluding transactions contemplated in section 45 of the Companies Act, 2008 (Act No. 71 of 2008).

In determining the appropriate administrative penalty, the PA considered the factors set out in section 167(2) of the FSRA.

A handwritten signature in black ink, appearing to read 'Kuben Naidoo'.

Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2021-03-04