THE FINANCIAL SERVICES TRIBUNAL

CASE NO. A36/2026

In a matter between:

LUBRIZOL SOUTH AFRICA PENSION FUND Applicant

and

FINANCIAL SECTOR CONDUCT AUTHORITY Respondent

TRIBUNAL PANEL: PJ Veldhuizen and LTC Harms

Date of hearing: n/a

Date of Decision: 5 November 2026

Summary: Reconsideration of the Penalty imposed by the Financial Sector Conduct Authority – Late Submission of Annual Financial Statements.

DECISION

A: INTRODUCTION

1. The Applicant brings this application in terms of section 230 of the Financial Sector Regulation Act No 9 of 2017 ("the FSR Act") to seek reconsideration of the Respondent's decision to impose a penalty of R288,000.00 for the late and non-submission of its annual financial statements as at 29 February 2024.

B: RELEVANT FACTUAL BACKGROUND

2. It is common cause that the Applicant failed to submit its annual financial statements (AFS) on time, despite being afforded an extension.

3. The Applicant does not appear to dispute the Respondent's right to impose a penalty, but instead seeks a reconsideration of the quantum thereof, citing operational and governance difficulties within the Fund.

4. The Applicant maintains that the failure to submit the AFS timeously was through no fault of its own, but instead sets out a chronology of events which caused the failures and requests waiver of the penalty imposed. This chronology is set out below:

> Further to this, we would like to provide a summary of the recent history of the Fund:
>
> - On 29 February 2024 Sygnia Benefit Administrators (Pty) Ltd resigned as S13B administrator with a notice period ending 30 June 2024,
> - IRFA was appointed as S13B administrator on 27 August 2024, effective from 1 July 2024,
> - There was no properly constituted board was in place,
> - At the time, Momentum Consultants and Actuaries, the benefit consultants to the Fund, was in the process of appointing a Principal Officer (case 559155), however, this could not be concluded,
> - On 29 September 2025 the Authority appointed a S26(2)(a) Board,
> - On 8 December 2025 the Authority confirmed the appointment of Ms EA Randles as Principal Officer, with effect from 30 October 2025,
> - On 26 March 2026 the Authority confirmed the appointment of NieuMan Chartered Accountants as auditor,
> - The annual financial statements as at 28 February 2024 was submitted on 14 July 2026, case 641516,
> - The annual financial statements as at 28 February 2025 was submitted on 14 July 2026, case 641516,
> - The annual financial statements as at 28 February 2026 was submitted on 14 July 2026, case 641516,
> - The Fund is now compliant in terms of Section 15(1) of the Pensions Fund Act.
>
> We would like to therefore request that the penalty issued for non-submission of the annual financial statements for the 2024 financial year be waived.

C: RELEVANT LEGISLATION AND PRINCIPLES

5. Section 15(1) of the PFA requires Pension Funds to furnish audited financial statements within a prescribed period:

> **Accounts.**
>
> (1) Subject to the provisions of subsection (4), every registered fund shall, within six months as from the expiration of every financial year, furnish to the registrar such statements in regard to its revenue, expenditure and financial position as may be prescribed, duly audited and reported on by the auditor of the fund;

6. Section 37(2) of the PFA provides:

(2) The registrar may impose an administrative penalty in the case of any failure by a pension fund, administrator or third party to submit to the registrar or any other person within a period specified in terms of this Act or in a directive or condition imposed by the registrar in terms of the Act, any scheme, statement, report, return or other document or information required in terms of this Act to be submitted, not exceeding R1 000 or such other amount prescribed by the registrar for every day during which the failure continues.

7. Section 37(3) of the PFA provides:

(3) Before imposing a penalty the registrar must in writing—

(*a*) inform the administrator, pension fund or third party of his or her intention to impose a penalty;

(*b*) specify the particulars of the alleged non-compliance;

(*c*) provide reasons for the penalty intended to be imposed;

(*d*) specify the amount of the penalty intended to be imposed;

(*e*) invite interested persons to make representations within a period specified by the registrar.

8. Section 37(4) of the PFA provides:

(4) If the registrar after consideration of representations made decides to impose an administrative penalty, he or she must by written notice inform the administrator, pension fund or third party that it may, within 30 days after the date of the notice, pay the penalty or lodge an appeal in accordance with section 26 of the Financial Services Board Act, 1990 (Act No. 97 of 1990).

9. Grounds for challenging penalties may include procedural irregularities, substantive issues regarding the alleged contravention, or the quantum of the penalty imposed. If the FSCA decides to impose the penalty after considering representations, the affected party may apply to this Tribunal for reconsideration.

D: DISCUSSION

The contravention is admitted

10. As foreshadowed above, the Applicant does not dispute that its 2024 AFS were due by 31 December 2024 (as extended) and were filed only on 14 July 2026, 560 days late.

11. Governance difficulties explain the delay, but they are not a defence to section 15(1) of the PFA.

12. The procedural complaints are unsustainable on the facts. More on this aspect below.

The Penalty

13. The Applicant made no representations to the Respondent, despite being afforded the opportunity to do so.

14. Now the Applicant submits that the penalty should be reduced because:

    a. It did not receive the Notice of Intention to impose a penalty. The Respondent's email of 28 November 2025 is evidence that the aforementioned notice was dispatched. In any event, the Applicant still makes no representations in this application in relation to the contravention, save for the governance difficulties.

    b. The delays were not solely of its own doing.

15. This Tribunal has previously considered that, in assessing the appropriateness of a penalty, it should be balanced, proportionate and fair, but remains a value judgment, not a checklist-driven exercise.

16. Furthermore, the Tribunal has previously held that it follows the ordinary rule that a higher body is not entitled to interfere with the exercise by a lower body of its discretion unless it failed to bring an unbiased judgment to bear on an issue, did not act for substantial reasons, exercised its discretion capriciously, or exercised its discretion upon a wrong principle. There is no reason why we should not apply the same approach during an application for reconsideration.

E: CONCLUSION

17. In the circumstances, the Tribunal finds no grounds to interfere with the Respondent's decision to penalise the Applicant or the quantum of such penalty.

ORDER: The application for reconsideration is dismissed.

Signed on 5 November 2026

__*Sgd PJ Veldhuizen*_____

PJ VELDHUIZEN & LTC HARMS