

**FSB fines Michiel Jakobus Bronn R350 000 plus Costs for FMA Contravention**

The Directorate of Market Abuse (the Directorate) referred an insider trading case against Mr Michiel Jakobus Bronn (Bronn) to the Enforcement Committee of the Financial Services Board. The referral related to a contravention of section 78 (1) (a) of the Financial Markets Act, 19 of 2012 (the FMA) ).

The Directorate established that Bronn who at all relevant times to this matter was the Chief Operations Officer of Coal of Africa Limited (Coal) ,knew on 15 May 2015 that the Department of Mineral Resources had approved Coal's application to obtain new order mining rights for the company's Makhado project. Bronn also knew that Coal planned to publish a Stock Exchange News Service (SENS) announcement on 18 May 2015 to inform the public about the granting of the Makhado Mining Rights.

On 15 May 2015, prior to the planned SENS announcement Bronn bought 117 000 Coal shares on the Johannesburg Stock Exchange at mostly 84 cents per share (cps). This was despite the fact that he had been specifically instructed by the Chief Executive Officer of Coal not to trade in Coal shares until such time that the SENS announcement had been published. On 18 May 2015 when Coal published the aforementioned SENS announcement the Coal share price increased from an opening price of 91 cps to a closing price of 122 cps. In these circumstances, the Enforcement Committee found that Bronn's conduct constituted a contravention of section 78 (1) (a) of the FMA.

On 28 February 2017 the Enforcement Committee imposed an administrative penalty of R350 000 on Bronn. The Enforcement Committee determined that Bronn committed insider trading in circumstances where he had been made aware of Coal's trading policy on various occasions. The Enforcement Committee found that Bronn's conduct in dealing with the case against him was less than frank and was often disingenuous, and therefore ordered that in addition to the administrative penalty Bronn must pay the costs incurred by the Directorate in investigating his conduct and the costs associated with bringing the matter before the Enforcement Committee including the costs of constituting the panel that heard the case against him.

A copy of the order is available on the FSB website: [www.fsb.co.za](http://www.fsb.co.za)

**Note to Editors**

The Enforcement Committee is an administrative body that has the authority to impose administrative penalties and cost orders, on offenders who breach legislation administered by the FSB.

**-Ends-**

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