

SA regulator fines former Steinhoff CEO for accounting fraud

By [Nqobile Dlodla](#)

21 Mar 2024

Former Steinhoff chief executive Markus Jooste has been fined R475m (\$25.15m) by South Africa's Financial Sector Conduct Authority for publishing false and misleading financial statements, the regulator said on Wednesday, 20 March 2024.



Steinhoff's former Chief Executive Markus Jooste appears in parliament to face a panel investigating an accounting scandal that rocked the retailer in Cape Town, South Africa, 5 September 2018. Reuters/Mike Hutchings/File Photo

Steinhoff has suffered hefty losses and a stream of lawsuits since revealing holes in its accounts in December 2017, the first sign of an accounting fraud that led to the near-collapse of the retail group, which is majority owner of South African and discount retailer Pepkor.

Last year Steinhoff, which was listed on the Frankfurt Stock Exchange and the Johannesburg bourse, implemented a debt restructuring plan to avoid bankruptcy. The plan gave shareholders rights to 20% of the new entity after the parent company was delisted and a new unlisted holding structure was created.

Jooste was fined after an investigation found that he and European finance boss Dirk Schreiber made or published statements about Steinhoff International Holdings that "they knew or ought reasonably to have known were false, misleading, or deceptive," the FSCA said.

That included misleading shareholders by the omission of material facts, it added.

Both Jooste and Schreiber were found to have contravened some sections of the Financial Markets Act, with regards to Steinhoff's annual financial statements and annual reports for 2014 to 2016 years and the 2017 half year.

Jooste was ordered to pay a fine to the regulator on or before April 19, including 10 million rand to reimburse the FSCA for reasonable costs incurred during the investigation, the regulator said.

With regards to Schreiber, the FSCA did not impose an administrative penalty due to his cooperation with the investigation and other factors, the FSCA said.

(\$1 = 18.8866 rand)

ABOUT THE AUTHOR

Reporting by Nqobile Dladla; editing by Bernadette Baum

For more, visit: <https://www.bizcommunity.com>