

NATIONAL CREDIT REGULATOR (NCR)

***Joint Meeting of the
Portfolio Committee on Trade and Industry and
the Select Committee on Trade and Industry, Economic
Development, Small Business Development, Tourism,
Employment and Labour***

12 May 2020

NATIONAL CREDIT REGULATOR (NCR)

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Chief Executive Officer

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1. NCR's Initiatives in Response to COVID-19
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NCR's Initiatives in response to Covid-19

1. Issued Circulars on Extension of Business Days for credit providers, debt counsellors, and credit bureaus with regards to submission of statutory reports and other functions to be performed by debt counsellors.
2. Proposal to the Department of Trade, Industry and Competition (**the dtic**): Waiver and extension of renewal of registration fees for registrants.

Advise Provided & Collaboration with Stakeholders

1. Provided advice to credit providers, **the dtic**, South African Reserve Bank (SARB), National Treasury (NT), The South African Future Trust: Relief to consumers and Small and Medium enterprises (SMEs):
 - ❑ SARB & NT: Loan guarantee scheme for SMEs with annual turnover of up to R300m; and
 - ❑ South African Future Trust: Registration requirements to provide relief to SMEs - R1 billion to fund loans to SMEs. Payments made directly to employees.
2. Giving SARB access to consumer and corporate credit data to monitor financial stability during COVID-19 period.

Compliance Monitoring Post Lockdown

1. Debt Relief provided by banks during the lockdown: Review of credit agreements entered into with consumers.
2. To intensify compliance monitoring through inspections and complaints assessments.
3. Treatment of credit information as a result of the relief provided through COVID-19 measures.
4. To conduct raids in smaller towns, townships and rural areas for illegal collection methods, such as the retention of bank cards, SASSA cards, ID books.
5. To analyse the performance of loan books of credit providers to monitor the impact of COVID-19 on consumers.

Compliance Monitoring Post Lockdown

5. To focus on debt collection practices (e.g. repossessions) because this is prohibited at this stage.
6. To issue a circular for credit providers and credit bureaus to submit monthly statistical reports to monitor impact of COVID-19.
7. To embark on consumer education drive mainly on debt counselling and credit life insurance.

Thank You!

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