

ANNUAL PERFORMANCE PLAN 2022 23 - 2024 25 STRATEGIC PLAN 2022 27

BEWARE OF MASHONISAS Never give your ID or Bank Card to Mashonisa. It is illegal!

Call NCR on 0860 627 627.

the da

List of Abbreviations

AA	Accounting Authority	ICCR	International Committee on Credit
ACFTA	African Continental Free Trade	ICT	Reporting
	Area	ICT	Information Communication and
ADRA	Alternative Dispute Resolution Agent	J-KPI	Technology Joint Key Performance Indicator
AGSA	Auditor-General of South Africa	MFSA	Microfinance South Africa
ARMC	Auditor-General of South Anea Audit and Risk Management	MTSF	Medium Term Strategic Framework
Anne	Committee	MoU	Memorandum of Understanding
AVE	Advertising Value Equivalence	NAMFISA	Namibian Financial Institutions
BBBEE	Broad-Based Black Economic		Supervisory Authority
	Empowerment	NCA	National Credit Act
BCM	Business Continuity Management	NCAA	National Credit Amendment Act
BCP	Business Continuity Planning	NCC	National Consumer Commission
CBA	Credit Bureau Association	NCR	National Credit Regulator
CBDA	Cooperative Banks Development	NCT	National Consumer Tribunal
	Agency	NDP	National Development Plan
CBM	Credit Bureau Monitor	NSF	National Skills Fund
CCMR	Consumer Credit Market Report	NSFAS	National Student Financial Aid
CCI	Consumer Credit Index	DA	Scheme
CEO	Chief Executive Officer	PA	Prudential Authority
CFO	Chief Financial Officer	PDA	Payment Distribution Agent
CIF CIPC	Credit Industry Forum	PFMA SACCRA	Public Finance Management Act South African Credit and Risk
CIPC	Companies and Intellectual Property Commission	SACCRA	Reporting Association
C00	Chief Operations Officer	SAPS	South African Police Service
COTII	Council of Trade and Industry	SARB	South African Reserve Bank
COTI	Institutions	SADC	Southern African Development
COVID-19	Novel Coronavirus Disease	5/100	Community
CSD	Central Supplier Database	SCM	Supply Chain Management
DPME	Department of Planning,	SEDA	Small Enterprise Development
	Monitoring and Evaluation		Agency
DPSA	Department of Public Service and	SEFA	Small Enterprise Finance Enterprises
	Administration	SMME	Small, Medium and Micro
dtic	Department of Trade, Industry and		Enterprises
	Competition	SMS	Short Message Service
EE	Employment Equity	SCA	Supreme Court of Appeal
EXCO	Executive Committee	UIF	Unemployment Insurance Fund
FIC	Financial Intelligence Centre	WHO	World Health Organisation
FSCA	Financial Sector Conduct Authority	4IR	Fourth Industrial Revolution
GDP	Gross Domestic Product		

Definitions used to measure performance

- EffectiveSuccessful in producing a desired or intended resultEnhanceImprove the quality of performance
- Support To give assistance
- Facilitate To make an action or process easier

ANNUAL PERFORMANCE PLAN 2022 23 - 2024 25

Table of Contents

Executive Authority Statement4
Accounting Officer Statement
Official sign-off
PART A: Our Mandate
1. Updates to relevant legislative and policy mandates
2. Updates to institutional policies and strategies
3. Updates to relevant court rulings 11
PART B: Our Strategic Focus
1. Situational analysis15
2. External environment analysis
3. Internal environment analysis
PART C: Measuring Our Performance

1. Institutional programme pe	rformance information	21
2. dtic Joint Key Performance I	Indicators	27
3. Key strategic risks and mitig	jations	30
4. Materiality Significance Fran	nework	31

Part D: Technical Indicator Descriptions (TIDs)	32
Annexure A: Risk Management and Fraud Prevention Plan	39
Annexure B: Materiality Significance Framework	41



Executive Authority Statement

Mr Ebrahim Patel Minister of Trade, Industry and Competition

The Annual Performance Plan (APP) identifies the outputs, output indicators and targets that an entity aims to achieve in the new financial year. The Executive Authority is responsible for providing direction on the development and implementation of policies and strategic priorities of entities in line with their respective mandates, and to ensure the APP is aligned to government's priorities.

The environment in which the APPs of the Department of Trade, Industry and Competition **(the dtic)** and our entities have been formulated remains challenging, given the impact of the COVID-19 pandemic, the July 2021 unrest and more recently the Russia/Ukraine war. At the same time, determined efforts by the Administration has seen signs of economic recovery and greater investor confidence in economic prospects. In this light, Government's priority focus continues to be the recovery of growth, investment and employment, guided by the Economic Recovery and Reconstruction Plan adopted in 2020, and the tasks outlined by President Ramaphosa in the 2022 State of the Nation Address.

This APP is expected to take forward the strategic shift initiated in 2021/2022 toward strengthened implementation and impact of **dtic's** work, through greater integration of efforts within the department and our entities, guided by shared, crosscutting outcomes and joint performance indicators. In this regard, the work of the **dtic** and the entities will be evaluated in relation to three over-arching Outcomes (which incorporate the previous "Joint-KPIs") namely **Industrialisation; Transformation**; and **Capable State** (Implementation/ Effective Delivery). In this way these Outcomes more deliberately and directly inform respective outputs and KPIs of the department and entities.

In turn, the scope of the outputs collectively still encompass the identified **dtic's** priorities, which include among others, the work of sector masterplans, initiatives to boost levels of investment and localisation in the economy, expanding trade within the continent, enabling better local economic development, supporting the growth of new industries (in the green economy and through beneficiation) and building a capable state, in particular addressing red tape as prioritised by the President in the 2022 State of the Nation Address.

Every entity in the **dtic** has been requested to align their APPs to the three outputs, it being recognised that a particular entity's core business links more clearly and strongly to one or the other of the overarching Outcomes, than to others.

This APP represents the outcome of the work done by the National Credit Regulator. Following the tabling of the APP by the **dtic** itself, each entity of the Department will be expected to consider such additional refinement and additions to be made and following completion of the review, such an addendum to this APP may be submitted in due course after the tabling.

This APP is therefore not about many new objectives but rather on a new way of implementation, with the focus on integration, to enhance the development impact of the work. I accordingly table the APP for 2022/23 in accordance with the request by the Speaker.

I wish to thank the management for the work done and wish them well in executing the APP and aligning their work to government's overall programmes and priorities.

your &

Mr Ebrahim Patel Minister of Trade, Industry and Competition



Accounting Officer Statement

Ms Nomsa Motshegare

Accounting Authority and Chief Executive Officer

OVERVIEW OF THE NCR AND ITS VISION

The NCR's mandate entails promoting a fair and nondiscriminatory marketplace for access to consumer credit, promoting responsible credit granting and the prohibition of reckless credit granting as well as protecting consumers through enforcement of the National Credit Act, No. 34 of 2005 (NCA).

The NCR is driven by the imperatives of advancing the social and economic welfare of South Africans in the consumer credit industry.

Overall focus during the previous planning period

The strategic focus areas for the previous planning period included:

- Education and awareness campaigns on deceptive and unfair practices, and consumer rights;
- Monitoring and enforcement programmes in particular in relation to the new registrants. The National Credit Amendment Act, No. 7 of 2019 (NCAA) and its regulations make provision for all credit providers to be registered with the NCR and the threshold was reduced to R1;
- Monitoring and enforcement programmes in relation to collection and sale of prescribed debt and credit providers to be encouraged to refrain from doing this;
- Monitoring compliance with the Affordability Assessment Regulations;
- Monitoring compliance with regulations regarding the total cost of credit including credit life insurance;
- Monitoring and enforcement programmes in relation to quality, accuracy, the removal of paid up judgements and adverse consumer credit information; and

• Improved awareness of the work undertaken by the NCR and its success stories.

These focus areas were aligned to the programmes and core themes of the dtic. Measurable performance indicators as well as an analysis of external and internal factors that could affect the ability to achieve our goals were clearly identified. Strategic risks, as well as possible mitigating controls were also identified.

Key accomplishments during previous planning period

Key accomplishments during the 2020/21 financial year include the following:

- **Good corporate governance:** As a result of the prudent financial management and corporate governance practised, the NCR achieved an unqualified audit opinion for the 2020/21 financial year and clean audits for 2014/15, 2015/16, 2017/18, 2018/19 and 2019/20. We submitted the Three-Year Annual Performance Plan for 2021/22-2023/24, the Five-Year Strategic Plan for 2021/22-2025/26 and the Annual Report 2020/21 in line with Parliamentary timelines.
- Consumer education and community outreach
 Despite restrictions related to the COVID-19 pandemic, the
 NCR in partnership with various stakeholders, conducted
 199 educational activities during 2020/21. These activities
 included workshops, exhibitions, mall activations and
 meetings.
- Collaboration and co-operation

The NCR is active locally and internationally. It participated in quarterly regulatory cluster meetings of the Council of Trade and Industry Institutions (COTII). These meetings facilitate information sharing and the pooling of resources to work together as regulators. The NCR also collaborated with the NCT, South African Credit and Risk Reporting Association (SACCRA), Credit Bureau Association (CBA) and the Intergovernmental Fintech Working Group (IFWG), among others.

The NCR participated in the African Dialogue on Consumer Protection webinar and the International Committee on Credit Reporting (ICCR) webinar on tech-sprints as an innovative regulatory tool.

Consumer redress

Through its complaints resolution, compliance monitoring and investigation process, the NCR ensured that approximately R30 million in the form of refunds and credit account balance adjustments was granted to consumers.

Referrals

The NCR referred 51 cases to the National Consumer Tribunal (NCT), successfully negotiated 46 consent orders and issued 9 compliance notices. Contraventions included: failure to conduct proper affordability assessments, use of child grants as proof of income, and overcharging interest and service fees.

Registration

A total of 1 076 new credit providers were registered with the NCR in 2020/21 financial year. The increase in the number of credit providers registered may lead to job creation and economic growth.

Service delivery

The NCR concluded an MoU with the Credit Ombud. The purpose of the MoU is to provide consumers with alternative avenues for submitting credit related complaints, thus improving service delivery to consumers.

Statistics and research

Notwithstanding challenges emanating from the COVID-19 pandemic, the NCR published three quarterly Consumer Credit Market Report (CCMR) and Credit Bureau Monitor (CBM) reports, which contain vital data on trends and statistics.

Communication and media

The NCR issued nine media releases, conducted 553 radio interviews and 24 television interviews. These positively added to the NCR's brand and increased its brand visibility across the country. Media releases provided advice to consumers on relevant topics such as avoiding panic buying in response to the COVID-19 pandemic

Strategic focus for the period ahead

In preparing the NCR Annual Performance Plan 2022-2025, the NCR used the Revised Framework for Strategic Plans and Annual Performance Plans issued by the Department of Planning, Monitoring and Evaluation (DPME).

The NCR Annual Performance Plan 2022-2025, together with the Strategic Plan 2022-2027, institutionalises the national priorities as summarised in the Executive Authority Statement.

For the period ahead, the main strategic focus for the NCR will be in the area of employment facilitation for job creation through registration of new registrants and support to livelihoods. Focus on employment will encourage enhanced inclusive growth and thereby reduce poverty as envisaged in the **MTSF Priority 2: Economic transformation and job creation**.

The main purpose of the NCA is, to promote a fair and nondiscriminatory marketplace for access to consumer credit. The NCA provides for the promotion and advancement of the social and economic welfare of South Africans.

In a more indirect way, the NCR will also contribute to **MTSF Priority 1: A capable, ethical and developmental state** in that it will continue to ensure it is capacited with professional, ethical and meritocratic staff members; and that high levels of ethical behaviour and corporate governance are maintained.

The NCR will also contribute to **MTSF Priority 7: A better Africa and world**, in that it will continue to nurture and forge strategic relationships that have positive impacts for the African continent and the world. It already collaborates extensively and hosts delegations from various countries.

To achieve the desired results in relation to the above strategic focus, the NCR has implemented and is in the process of implementing the seven **dtic joint key performance indicators**, the two NCR institutional programmes, and various collaborative projects (in collaboration with other key stakeholders in the credit industry) as outlined in Part A of the NCR Strategic Plan 2022-2027 and further elaborated on in this annual performance plan.

Since the National State of Disaster declared in March 2020 by President Ramaphosa is still in force, the NCR will continue to adjust, whenever necessary, its strategies and policies, and strategic and annual performance plans to ensure alignment with government's response to the COVID-19 pandemic. The Annual Performance Plan also makes provision for the prioritisation of women and youth.

The NCR team is committed to implementing the Annual Performance Plan 2022-2025.

Acknowledgements and appreciation

I would like to thank the NCR executive team, management and personnel for their dedication and valuable contribution throughout the year. Their excellent work makes it possible for the NCR to achieve its mission and fulfil its mandate.

My sincere appreciation also goes to the members of the Audit and Risk Management Committee for providing oversight. I would also like to express my gratitude to the Minister of Trade, Industry and Competition, Honourable Mr Ebrahim Patel; the dtic and the Portfolio Committee on Trade and Industry for their guidance and support.

Ms Nomsa Motshegare Chief Executive Officer National Credit Regulator

Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the National Credit Regulator under the guidance of Ms N Motshegare;
- Takes into account all the relevant policies, legislation and other mandates for which the National Credit Regulator is responsible for; and
- Accurately reflects the Outcomes and Outputs which the National Credit Regulator will endeavour to achieve over the period 2022/23 2024/25 period.

Mr Lesiba Mashapa Company Secretary

Ms Lynette De Beer Chief Financial Officer

Adv Obed Tongoane Deputy Chief Executive Officer

Ms Nomsa Motshegare Chief Executive Officer

Morri

Approved by: **Mr Ebrahim Patel** Minister of Trade, Industry and Competition

29,900 241,300 6,641,200

0 %

PARTA OUR MANDATE

1483

13.0XD

1. Updates to relevant legislative and policy mandates

In terms of the Public Finance Management Act, the National Credit Regulator (NCR) is a Schedule 3A public entity. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the NCA.

The NCAA was passed by the National Assembly and signed into law by the President in August 2019. It provides debt intervention for over-indebted consumers who cannot afford or qualify for the existing debt relief measures. The NCR is preparing to implement this measure.

The purpose of the NCA is to:

- Promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information;
- · Promote black economic empowerment and ownership within the consumer credit industry;
- · Prohibit certain unfair credit and credit-marketing practices;
- · Promote responsible credit-granting and use and for that purpose prohibit reckless credit-granting;
- · Provide for debt reorganisation in cases of over-indebtedness;
- Provide for registration of credit bureaus, credit providers, debt counsellors, payment distribution agents and alternative dispute resolution agents;
- Establish national norms and standards relating to consumer credit;
- Promote a consistent enforcement framework relating to consumer credit;
- Establish the NCR and the National Consumer Tribunal (NCT); and
- Promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry.

The National Credit Regulator enforces the provisions of the NCA by:

- Promoting informal resolution of disputes between consumers and credit providers, credit bureaus and/or debt counsellors;
- Receiving complaints regarding contraventions of the NCA;
- · Monitoring the consumer credit market and industry to prevent, detect and/or prosecute contraventions;
- Investigating and evaluating alleged contraventions of the NCA;
- · Issuing and enforcing compliance notices in respect of contraventions;
- Negotiating and concluding undertakings and consent orders as a means of resolving consumer complaints; and
- Referring matters to the NCT for adjudication.

The NCR is also mandated to undertake research on the nature and dynamics of the consumer credit market by:

- Implementing education and information measures to develop public awareness of the provisions of the NCA;
- · Providing guidance to the credit market and industry;
- · Monitoring socio-economic patterns of consumer credit activity in South Africa;
- Conducting reasonable periodic audits of registered credit providers in respect of historical data relative to credit applications and credit agreements;
- Monitoring trends in the consumer credit market and industry; and
- Reviewing legislation and regulations, and reporting to the Minister of Trade, Industry and Competition concerning matters related to consumer credit.

The NCR promotes public awareness around consumer credit matters by:

• Conducting consumer education and awareness campaigns.

The NCR is also mandated to review legislation and report to the Minister of Trade, Industry and Competition on matters pertaining to consumer credit.

2. Updates to institutional policies and strategies

The following institutional policies were reviewed and updated:

- Cash, Banking and Investment Management Policy;
- Communications Policy;
- Corporate Identity Policy;

- Publication Policy;
- Workshop and Public Awareness Policy;
- Financial Delegation of Authority Policy;
- Supply Chain Management Policy;
- Petty Cash Policy;
- Asset Management Policy; and
- Debt Counselling Policy.

The following have been added to the institutional strategies:

- Introduction of the educational activities relating to consumer rights; and
- Contribution of the NCR to the dtic Joint Key Performance Indicators.

3. Updates to relevant court rulings

The rulings and decisions of the high courts and the National Consumer Tribunal are taken into account when crafting the NCR strategic plans. Below is a brief summary of recent court decisions and rulings that may have significant, ongoing impact on operations or service delivery obligations.

No.	Matter Name	Court & Case reference number	Legal issues and status
1.	MFSA vs the Minister of Trade and Industry and the NCR.	North Gauteng High Court Case No 59612/17	The MFSA applied to the High Court to review the cost of credit life insurance on the short-term loan on the basis that the premium is low. The parties are currently finalising a settlement which requires the NCR to review the regulations. Review of cost of credit life insurance has commenced.
2.	Bridge vs NCR	North Gauteng High Court Case No 87768/14	Bridge applied to the High Court for an order declaring sections 55 and 57 of the NCA which grants the NCR powers to issue compliance notices, unconstitutional. Application suspended pending finalisation of a liquidation application filed against Bridge. Liquidation against Bridge dismissed. Notice of set down for the High Court review matter awaited.
3.	Moneyline Financial Services (Pty) Ltd vs NCR	North Gauteng High Court Case No A440/16	Moneyline appealed the decision handed down by the NCT which ruled on 11 March 2016 that the NCR acted lawfully and procedurally correct when investigating Moneyline. The merits relate to allegations of reckless lending towards the recipients of social security grants by Moneyline. The Appeal was heard on 4 December 2018 and judgment was handed down on 30 August 2019 in terms of which the appeal was postponed and Moneyline was ordered to join the NCT as a Respon- dent before the appeal could proceed. Moneyline then launched an application for leave to appeal against this judgment, which applica- tion for leave to appeal was heard on 2 December 2019. Judgment was in favour of the NCR calling for the joinder of the NCT as a second respondent by Moneyline. Appeal date 27 October 2021. The parties settled the matter, and it was withdrawn.
4.	BMW vs NCR	National Consumer Tribunal NCT/93829/2017/56(1) A288/2021	Compliance Notice issued for "on the road" fees. BMW objected to the compliance notice by application to the NCT. NCT upheld the objection and set aside the compliance notice on 12 May 2021. NCR launched an appeal against the ruling under case A288/2021. Matter has been consolidated to be heard simultaneously with Mercedes Benz and VW which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.
5.	VW vs NCR	Tribunal Case No: NCT/94937/2017/56(1) Pretoria High Court: A104/19	Compliance notice issued for "on the road" fees. VW objected to the compliance notice. NCR opposed the application. Matter heard in February 2019 and judgement handed down in favour of NCR. VW appealed the decision to the High Court. Matter has been consolidated to be heard simultaneously with Mercedes Benz and BMW which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.

No.	Matter Name	Court & Case reference number	Legal issues and status
6.	Mercedes Benz vs NCR	Tribunal Case No: NCT/107156/2018/56(1) PTA High Court: A289/2021	Compliance Notice issued for "on the road" fees. Mercedes Benz objected to the compliance notice and lodged an application to the NCT. NCR opposed the application. Pleadings have closed and hearing date awaited. Judgment in favour of Mercedes Benz, setting aside the compliance notice. NCR launched an appeal to the High Court against the judgment. Matter has been consolidated to be heard simultaneously with BMW and VW FS which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.
7.	A-Z Micro Loans vs NCR	Tribunal: NCT/78949/2017/57 (1) PTA High Court: A126/2019	Matter relates to Failure to conduct proper affordability assessments; Failure to retain records; Failure to provide pre-agreement state- ments in the prescribed form; Overcharging cost of credit i.e. interest. Condonation filed for leave to appeal. Request made to comply with judgment or proceed with appeal. Appeal deemed as dismissed as no further steps taken by the Respondent.
8.	CMR Group (Pty) Ltd (In Liquidation) vs NCR	Tribunal: NCT/119696/2018/57(1) PTA High Court Case number A351/2019 Special Leave to Appeal Case number 9420/2021	Failure to conduct affordability assessments; Extending reckless credit; Overcharging cost of credit i.e. interest; Prohibited charges. CMR lodged Special Leave to the Supreme Court of Appeal on 7 September 2021. Pleadings are still open and a notice of set down awaited.
9.	Dacqup Trading t/A ABC Financial Services	Tribunal: NCT/127619/2019/57(1) Appeal PTA High Court: A333/19 Supreme Court of Appeal: 382/2019	Failure to conduct affordability assessments; Extending reckless credit; Failure to retain records; Overcharging cost of credit i.e. interest; Overcharging cost of credit i.e. interest; Overcharging cost of credit i.e. interest; Unlawful advertising practices. Appeal was successful and the NCT's order was set aside, with costs. NCR appealed decision at the SCA. Matter pending before the SCA and still ongoing. Awaiting the SCA hearing date.
10.	Gauteng Motors vs NCR	Tribunal: NCT/78954/2017/140(1) Appeal PTA High Court: A173/19	Extending credit whilst not registered; Failure to conduct affordability assessments; Extending reckless credit; Failure to retain records; Over- charging cost of credit by charging prohibited fees; interest; Unlawful provisions; Unlawful enforcement. No further steps taken to prosecute appeal – appeal deemed lapsed.
11.	NCR vs Marylee Govender (DC)	Tribunal NCT/122481/2018/138(1)	Settlement agreement concluded with this DC by NCT order on 11 March 2019. DC only partially complied with consent order. NCR appointed a service provider to launch High Court application to compel compliance with the consent order. Letter of demand sent to respondent. Correspondence received from respondent's attorney objecting to demand. Proceedings to be instituted in High Court.
12.	Asia Lamara vs NCR	Tribunal: NCT/102200/2018/57(1) Appeal PTA High Court: A15/2020	Allowing unregistered agents to act as a Debt Counsellor; Failure to adhere to time periods; Failure to adhere to time periods; Failure to make a determination in prescribed period; Failure to refer matters timeously. NCR filed application for appeal to be declared lapsed and that the respondent be compelled to adhere to order in the alternative for certain relief in terms of NCT judgment to commence pending outcome of the appeal – hearing date was set for 15 November 2021 did not proceed on given date. Awaiting new set down date.
13.	Bongani Mnweba (DC) vs NCR	Tribunal: NCT/129993/2019/59(1) PTA High Court: 48175/2020	NCR successfully opposed matter in Tribunal. Mnweba instituted proceedings in High Court. NCR issued notice to compel Respondent to deliver its Heads of Argument for appeal to proceed. Application to compel filed for delivery of Heads of Argument. Application to compel to be heard on 23 March 2022.
14.	Option Deals vs NCR	Tribunal: NCT/128364/2019/140(1) Appeal PTA High Court A350/19	NCR referred Option Deals to the NCT for simulated transactions, in the form of credit agreements disguised as motor vehicle sale agreements coupled with lease agreements; granted reckless credit; overcharged costs of credit and did not follow prescribed collection procedures. Judgment granted in NCR's favour on 15 September 2019. On 12 November 2019 Option Deals appealed NCT order. Appeal dimissed with costs on 25 August 2020. Option Deals launched application for leave to appeal to the SCA. Awaiting setdown date.

No.	Appeal PTA High Court A350/19	Court & Case reference number	Legal issues and status
15.	Xcelsior & another vs NCR	Tribunal: NCT/111201/2018/57(1) Review PTA High Court: 4350/2020	NCR launched cancellation application at the NCT based on reckless credit and costs of credit infringements. NCR applied for leave to amend/supplement founding papers which was granted on 12 September 2019. On 22 January 2020, Xcelsior launched review application in the PTA High Court, to set aside NCT's interlocutory judgment granting NCR leave to amend/supplement. Pleadings are closed and notification of set down date awaited. Hearing commenced 02 February 2022, await judgment. Judgment issued on 3 February 2022. NCT order to be reviewed and decided upon afresh by NCT. Cost order imposed against NCR. NCR to appeal judgment.
16.	Sewatumong vs NCR	Tribunal: NCT/122491/2018/165 Review PTA High Court: 7996/2020	NCR launched a cancellation application at NCT against Respondent for prohibited instruments, reckless credit and costs of credit infringements. Initially, the NCT granted judgment in NCR's favour on a default basis. Sewatumong filed a number of applications at the NCT, including a rescission application and a condonation application neither of which were granted. Sewatumong launched an internal appeal at the NCT. Shortly before the scheduled appeal hearing date, Sewatumong launched a review application in the High Court which sought to set aside a number of NCT decisions. Interim application filed by Sewatumong to amend and include further relief. NCR opposed interim application. Pleadings are being exchanged and parties considering further application for judge to intervene in proceedings. Administrative review proceedings commenced, with Judge intervening on 19 April 2022.

PART B OUR STRATEGIC FOCUS

746566

4256

1. Situational Analysis

A high-level assessment was undertaken to identify the most significant developments in the external and internal environment that are likely to influence or impact the NCR over the next few years. A brief synopsis of the state of the South African credit market is provided. A further analysis of the internal and external factors impacting on the NCR is then provided.

a) Challenges experienced in the performance environment in 2020/21:

The outbreak of the COVID-19 pandemic and the declaration of a National State of Disaster in March 2020 impacted (and continue to impact) the NCR. As a result of constraints of the fiscus, the NCR's budget allocation was reduced by approximately R11 million during 2020/21. The funding challenge was exacerbated by the need to procure remote working tools and personal protective equipment (PPE) for employees, and prepare offices to be compliant with COVID-19 protocols.

Intermittent office closures due to reported COVID-19 infections and quarantine requirements disrupted team work. Working patterns had to be adjusted, putting ICT systems and agility to the test.

During the period when the country was under alert levels 5 and 4, most of the NCR's registrants were not classified as providing essential services in terms of the National Lockdown Regulations and therefore their offices remained closed for business. This meant that the NCR could not conduct on-site compliance monitoring and inspections on its registrants (non-bank credit providers, credit bureaus, debt counsellors and payment distribution agencies). The NCR could also not conduct raids on microlenders that retain consumer's bank cards and identity documents.

Some registrants went out of business – a total of 136 registrants (98 credit providers, 35 debt counsellors and 3 credit bureaus) closed down and voluntarily cancelled their registration with the NCR. Consumer education campaigns and workshops which were previously conducted face-to-face, were hindered.

b) How the NCR addressed/addresses the challenges

The NCR revised its 2020/21 Annual Performance Plan (APP) and put in place cost-cutting measures and improved efficiencies. Some employees were equipped with the tools to work remotely. Certain processes were digitised. Employees in some departments work on a rotational basis to observe health protocols.

Compliance monitoring is conducted through desktop and on-site monitoring. The focus ahead is to build an affordable platform to enable small credit providers to submit data to the credit bureaus, thereby increasing compliance with Regulation 19 (13).

More of our education programmes will use online and digital platforms as well as social media. We will increase use of internet platforms to monitor compliance, support and improve communication with debt counsellors, credit providers and PDAs. Given the success of webinars, the NCR intends to continue using webinars to support and capacitate debt counsellors. The focus will also be on automating data collection tools and strengthening internal statistics systems.

c) Emerging priorities and opportunities which will be acted on during the medium-term period

ICT Systems development: Projects are underway to develop ICT systems to enhance operational efficiencies such as automating operational processes and accommodating automated reporting requirements by registrants.

Mobile unit for consumer education initiatives: Consumers of credit and financial products and services are still vulnerable to unscrupulous credit and financial services providers, and victims of predatory lending and unfair and deceptive marketing practices. The NCR intends to increase levels of financial and credit literacy among consumers, especially consumers in rural and peri-urban areas by using its branded mobile unit to conduct consumer education and financial literacy campaigns. Through the mobile unit, the NCR will increase its availability, visibility and reach to consumers in all nine provinces.

d) State of the Credit Market

Through its statistics and research, the NCR contributes to the development of knowledge in the field of consumer credit in South Africa. The following summary was compiled by the NCR's research and statistics department:

The total value of new credit extended to South African consumers as at the end of September 2021 was R159.12 billion. This represents an increase of R12.25 billion (8.34%) quarter-on-quarter and an increase of R29.68 billion (22.93%) year-on-year.

Mortgages' share of new credit granted increased from 38.05% in September 2020 to 41.57% in September 2021. Secured credit's share, which is dominated by vehicle finance, decreased from 33.41% in September 2020 to 28.56% in September 2021. Unsecured credit share decreased from 15.68% to 14.23% over the same period.

As at September 2021, the total outstanding consumer credit balances (or gross debtors' book) was R2.08 trillion, representing a quarter-on-quarter growth of 1.16% and a year-on-year growth of 4.98%.

The trends for outstanding balances for the quarter ended September 2021 were as follows:

- Mortgages debtors book increased by R24.64 billion (2.32%) quarter-on-quarter and by R92.30 billion (9.29%) year-on-year.
- Secured credit debtors book increased by R3.20 billion (0.70%) quarter-on-quarter and by R13.22 billion (2.94%) year-on-year.
- Credit facilities debtors book decreased by R679.44 million (0.26%) quarter-on-quarter and increased by R4.35 billion (1.67%) year-on-year.
- Unsecured credit debtors book decreased by R3.40 billion (1.62%) quarter-on-quarter and by R11.79 billion (5.40%) year-on-year.
- Credit bureaus held records for 26.42 million credit-active consumers, which showed an increase of 0.78% when compared to the 26.22 million in the previous quarter. Consumers classified in good standing increased by 104,713 to 16.25 million consumers. This amounts to 61.51% of the total number of credit-active consumers. The number of credit-active accounts decreased from 85.08 million to 85.07 million in the quarter ended September 2021. The number of impaired accounts has increased from 19.86 million (23.34%) to 20.16 million (23.70%) in September 2021, an increase of 298,356 quarter-on-quarter and a decrease of 3,279,499 year-on-year.

2. Legislative and policy mandate

The key issues in the environment in which the institution carries out its work, are summarised below. These issues impact on the performance of policy and regulatory institutions such as the NCR.

a) COVID-19 pandemic

The COVID-19 pandemic is the most significant issue, external to the NCR, that continues to impact the whole world, including the local environment in which the NCR operates and the way the NCR operates.

There is no certainty when the pandemic will end, or whether the number of infections will surge again in yet another socalled wave requiring extreme measures such as lockdowns and curfews (both local and international) that have negative economic and social consequences. As a result, expectations are that the economy will only recover to pre-COVID-19 levels in 2024. (Source: 2020 Medium Term Budget Policy Statement – Economic Outlook).

b) Socio-economic conditions

According to Trading Economics, South Africa's unemployment rate rose to 34.4% in Q2 of 2021 from 32.6% in the previous period and was confirmed by Statistics SA as the official unemployment rate. This was reported to be the highest jobless rate since comparable data began in 2008.

The unemployment rate according to the expanded definition of unemployment increased to 44.4% in Q2 of 2021 compared to 43.2% in quarter 1 2021. (Source: Stats SA 21 August 2021 - Quarterly Labour Force Survey (QLFS) – Q2:2021)

The ratio of household debt to disposable income stands at 66.7% (Q2 of 2021 data). Households' cost of servicing debt relative to nominal disposable income stands at 7.5% in Q2 of 2021.

Against this difficult socio-economic scenario, the pressure on the average consumer seems to continue increasing. The NCR's statistical overview of the South African consumer credit market in the 2020/21 financial year, shows that many consumers – out of desperation to put food on the table – applied for credit despite knowing they did not meet credit providers' requirements.

According to the World Bank, Sub-Saharan Africa is set to rebound, but the region remains vulnerable given the low rates of vaccination, protracted economic damage and slow pace of recovery. (Source: The World Bank – Press Release, 06.10.2021: Sub-Saharan Africa Exits Recession in 2021 but Recovery Still Vulnerable).

c) Policy developments and legislative changes

Changes to the regulatory framework impact the NCR and these include: reduction of interest rates, capping of credit life insurance premiums, ongoing removal of paid up judgments and adverse listings, removal of registration thresholds for credit providers, creation of a credit information reporting framework and formal registration of payment distribution agents and alternative dispute resolution agents.

The NCAA was passed by the National Assembly and signed into law by the President in August 2019. It provides debt intervention for over-indebted consumers who cannot afford or do not qualify for existing debt relief measures. The NCR awaits further guidance from the dtic in terms of implementation of the NCAA.

d) Digitisation and increasing complexity

The credit market continues evolving due to the technology that drives it. The online lending, including debt relief loans and the impact of the COVID-19 pandemic has brought new regulatory challenges.

The NCR has to continue monitoring new credit products and their marketing by credit providers, in order to protect consumers against debt traps, especially the most vulnerable groups (women and youth).

e) Fourth Industrial Revolution (4IR)

Digitisation and 4IR brings opportunities (faster processing of information and levelling of the playing field), but also many challenges and risks (cybercrime and protection of personal information) that can affect the work of the NCR.

As technology advances, the pace of (the resultant) change is faster and it becomes imperative for all organisations and individuals to upgrade knowledge, skills, attitudes, efficiencies, systems, processes and budget.

f) Prioritising women and youth

The national imperative of prioritising women and youth means that the NCR must be sensitive to and respond to issues as they arise. This includes procurement, recruitment as well as its education and awareness efforts; access to funding and to credit; and the matter of maintenance orders. The NCR is presently collaborating with the Department of Women, Youth and Persons with Disabilities to find ways of enforcing and listing maintenance orders at the registered credit bureaus, made in favour of minor children.

g) Strategic relationships

Engagement and collaboration with a wide range of local and international industry players and other bodies (private and corporate) is essential to the NCR's effectiveness and reach. The NCR established the Credit Industry Forum, which serves as a platform for the NCR, and industry to engage and reach agreement on industry issues.

The NCR is a member of the African Consumer Protection Dialogue, which brings together regulators from all over the African continent to discuss consumer protection issues and share information.

The NCR also holds regular meetings with regulators, industry associations and registrants. MOAs have been entered into with FSCA, PA and SARB in terms of the Financial Sector Regulatory Act. The NCR has also entered into an MOU with the above regulators including FIC, regarding the establishment of the National Register of Credit Agreements.

The NCR concluded an MOU with the Credit Ombud to provide consumers with alternative avenues for submitting credit related complaints, thus improving service delivery to consumers.

An MOU is currently being negotiated with the Namibian Regulator, NAMFISA, for regulatory information sharing, capacity building and to open market opportunities to registrants.

The NCR is a member of the World Bank's International Committee on Credit Reporting (ICCR) and participates in meetings and webinars.

3. Internal environment analysis

a) Structure of the NCR and how this affects its ability to achieve desired outcomes

The organisational structure of the NCR underpins its ability to implement its strategies and achieve desired outcomes. The CEO is the Accounting Authority. The CEO provides strategic leadership, oversees and ensures the efficient and effective use of NCR's resources and ensures compliance with all of its legal requirements and reporting and financial accountability obligations. The NCR's Company Secretary assists the accounting authority and CEO to ensure sound corporate governance. The Company Secretary also provides governance knowledge and guidance, and ensures organisational integrity. Information on organisational structure, corporate governance and performance is found in the NCR Annual Report 2020/21.

b) NCR's capacity to deliver on its mandate (including human resources, financial resources, ICT capacity and other factors)

Financial resources: Adequate funding is a factor that the NCR always needs to consider, especially due to the impact of COVID-19 pandemic and the government's response to it. Due to cost-cutting measures and improved efficiencies, the NCR was able to deliver against its Strategic Plan so far.

The NCR's budget allocation has been reduced for the next three years. The regulator needs to continue finding innovative ways to augment the budget, but also new ways of working smarter in order to be able to execute our legislative mandate.

Structure, systems and processes:

Digitisation: In order to improve operational efficiencies, the NCR is embarking on automating its internal processes. Some of the important projects are, the automation of the referral of cases to the NCT and the compliance regime for registrants.

With the 4IR upon us, it is essential to advance our ICT to enable our deliverables:

- VPN and Firewall set up: This security feature will improve system security and implement a permanent remote working solution.
- Infrastructure and server upgrade: This will optimise systems and applications' performance and response time as well as replace servers that are out of warranty.
- Exchange server (email) upgrade and services migration to the new servers: Exchange servers upgraded to the most current supported version and migration to the new servers, pending the completion of the migration of mailboxes and services to the upgraded Exchange.
- Enhanced operational systems: Various internal systems will be overhauled to create an efficient and integrated operational system to improve operational efficiency and responsiveness within NCR.

It remains imperative to scan the environment for developments and to continuously update and innovate our systems and processes and ensure that a robust structure underpins it all.

The COVID-19 pandemic adds a new dimension to the need to digitise, especially in times of lockdown /reduced social contact. Educational workshops will continue to be held online in the format of online webinars and stakeholder engagements will also continue to be held online using a secure business communication platform. Desktop compliance monitoring has largely replaced on-site monitoring of registrants.

Human resources: Having people with the right skills on board is an important factor that determines the success of the NCR. To increase capacity and boost staff complement, we will continue to recruit interns to assist with, in particular, Information Communication Technology.

Retention of skills is a major priority, however, certain key positions had to be frozen due to funding challenges.

Occupational health and safety: NCR is committed to making its working environment safe for its employees, especially during the COVID-19 pandemic. Some of the measures implemented include provision of sanitisers, facial masks, personal protective equipment, body temperature monitoring, social distancing observed, regular disinfection and provision of a sickroom.

Knowledge intensity: Operating in a knowledge economy and digitised workplace means the NCR has to provide its valued staff with opportunities for training and participation in conferences and similar industry events, albeit online.

c) Compliance with the Broad-based Black Economic Empowerment Act (No. 53 of 2003), as amended

Compliance with BBBEE legislation and best practice is vital. The NCR issues tenders based on the preferential procurement framework and advertises new tenders on the e-tender portal and the website. Only suppliers who are registered on the Central Supplier Database (CSD) are utilised.

The National Credit Regulator complies with the Public Finance Management Act (PFMA) and the 2009 King IV Code of Governance Principles for South Africa (King IV Code) in as far as the Code can be applied to the NCR. In terms of the Department of Trade and Industry's Code of Good Practice on B-BBEE (as gazetted in October 2013), the NCR is rated as a B-BBEE Level contributor as per the certificate below. The Executive Authority, the Minister of Trade, Industry and Competition and Parliament ensures that the NCR embraces good corporate governance practices.



d) Prioritising women and youth

The NCR prioritises women and youth in its procurement, recruitment, leadership advancement and training and education. Its workforce is youthful and predominantly female (60% in 2020/21 FY). We will continue prioritising women and youth.

PART 673 MEASURING OUR PERFORMANCE 5



536

1. Institutional Programme Performance Information

1.1. Programme: Improved regulatory environment

1.1.1. Purpose of the programme:

To improve education awareness and promote economic growth through facilitation of job creation, integration and transformation.

1.1.2. Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outcome Outputs	Output	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		Indicators		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved consumer protection through education and awareness of the NCA.	Conduct consumer education and awareness campaigns and activities regarding consumer rights.	Number of consumer education and awareness campaigns and activities conducted on consumer rights.	-	-	Conduct 120 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights.	Conduct 500 consumer education and awareness campaigns and activities on consumer rights.	*Conduct 700 consumer education and awareness campaigns and activities on consumer rights.	*Conduct 750 consumer education and awareness campaigns and activities on consumer rights.	*Conduct 800 consumer education and awareness campaigns and activities on consumer rights.
	Conduct consumer education and awareness campaigns and activities regarding deceptive and unfair practices.	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices.	37 multimedia awareness campaigns were conducted.	87 multimedia awareness campaigns were conducted.	Conduct 120 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights.	Conduct 120 consumer education and awareness campaigns and activities on deceptive and unfair practices.	**Conduct 130 consumer education and awareness campaigns and activities on deceptive and unfair practices.	**Conduct 140 consumer education and awareness campaigns and activities on deceptive and unfair practices.	**Conduct 150 consumer education and awareness campaigns and activities on deceptive and unfair practices.
Increased efficiency in registration of persons and entities to facilitate creation of job opportunities.	Improve efficiency in the registration process of persons and entities.	% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.	99.% applications were registered within 10 business days of receipt of signed proposed conditions and payment of registration fees.	99.7% applications were registered within 9 business days of receipt of signed proposed conditions and payment of registration fees.	Register 96% of persons and entities in the consumer credit market within 8 of business days of receipt of signed proposed conditions and payment of registration fees.	Register 97% of persons and entities in the consumer credit market within 9 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 99% of persons and entities in the consumer credit market within 7 business days of receipt of signed proposed conditions and payment of registration fees.	Register 99% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.

Output Indicator	Annual Target	Quarterly Milestones					
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
Number of consumer education and awareness campaigns and activities conducted on consumer rights.	*Conduct 700 consumer education and awareness campaigns and activities on consumer rights.	170	175	180	175		
Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices.	**Conduct 130 consumer education and awareness campaigns and activities on deceptive and unfair practices.	30	30	35	35		
% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed condi- tions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.		

1.1.3 Output Indicators: Annual and Quarterly Targets

Based on the estimated annual performance targets for 2021/22 financial year.

*Consumer rights include amongst others: Cost of credit, Debt counselling, credit bureaus and credit information, consumer rights as per the NCA, Repossessions, Debt relief measures etc.

**Deceptive and unfair practices include amongst others: Blacklisted welcome, no credit checks, loan guaranteed, affordable credit etc.

1.1.4 Explanation of planned performance over the medium-term period

- a) To improve education awareness regarding deceptive and unfair practices and consumer rights.
- b) Efficient registration of new entrants in the consumer credit market to increase the participation of SMMEs, which would facilitate the creation of job opportunities, which ultimately contributes towards economic growth.

1.1.5 Programme resource considerations

Improved regulatory environment								
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate			
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Current payment Compensation of employees	R12.7m	R13.3m	R11.1m	R10m	R11.1m	R11.5m	R11.8m	
Goods & services, etc.	R8.5m	R18m	R13m	R15.2m	R9.8m	R10.3m	R10.8m	
Total	R21.2m	R31.3m	R24.1m	R25.2m	R20.9m	R21.8m	R22.6m	

1.2 Programme: Enforcement of the National Credit Act.

1.2.1 Purpose of the programme:

To promote a fair, responsible and accessible consumer credit market through the enforcement of the NCA. This will be implemented by conducting investigations and taking enforcement action on non-compliant registrants.

1.2.2. Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output	Audited Actua	l Performance		Estimate Performance	Medium Term	Targets	
outcome	Outputs	Indicators	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved compliance through enforcement of the NCA.	Improve compli- ance with regulations pertaining to the total cost of credit.	Number of inves- tigations conducted on credit providers relating to total cost of credit to ensure compliance with the regulations.	Q1 &Q2 163 of any or a combination of the following were conducted (36 Investiga- tions, 103 compliance monitoring, 24 complaints evaluations, 0 audits, 0 raids). Q3 &Q4 143 credit proviers were investigated/ compliance monitored/ complaints evaluated.	329 credit providers were investigated by way of compliance monitoring, audit, investiga- tions and complaints evaluations.	Conduct 300 investiga- tions on credit providers relating to total cost of credit to ensure compliance with regulations.	Conduct 420 investiga- tions on credit providers relating to total cost of credit to ensure compliance with regulations.	***Conduct 440 investiga- tions on credit providers relating to total cost of credit to ensure compliance with regulations.	***Conduct 480 inves- tigations on credit providers relating to total cost of credit to ensure compliance with regulations.	***Conduct 500 inves- tigations on credit providers relating to total cost of credit to ensure compliance with regulations.
Improved compliance through enforcement of the NCA.	Enforce- ment action taken where necessary by end of the financial year.	Enforcement action taken by the end of the financial year on a percent- age (%) of investiga- tions which identified non-com- pliance with regulations relating to the total cost of cred- it-by-credit providers.	Q1 &Q2 84% (137 ÷ 163) enforce- ment action taken on 137 of any or a combina- tion of the following: (26 investi- gations, 103 compliance monitoring, 8 complaints evaluations, 0 audits, 0 raids). Q3 &Q4 71% (101 ÷ 143) enforcement action taken on 101 credit providers investigated/ monitored/ evaluated.	Enforcement action was taken on 88% (274) of 310 credit providers as a set target.	Take enforcement action on 70% of investiga- tions which identified non-com- pliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.	Take enforcement action on 80% of investiga- tions which identified non-com- pliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.	Take enforcement action on 80% of investiga- tions which identified non-com- pliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.	Take enforcement action on 85% of investiga- tions which identified non-com- pliance with regulations relating to the total cost of credit providers, by the end of the financial year.	Take enforcement action on 90% of investiga- tions which identified non-com- pliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.

NATIONAL CREDIT REGULATOR | Three Year Annual Performance Plan 2022/23 - 2024/25

Outcome	Outputs	Output Indi- cators	Audited Actual Performance			Estimate Medium Term Targets Performance			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Improve compli- ance with regulations pertaining to the total cost of credit (including credit life insurance)	Impact study report on the effect of total cost of credit and credit life insurance regultions on consumers and submit a final report to the dtic.	The impact study of the effect of total cost of credit and credit life insurance conducted.	-	-	****Conduct an impact study of limitations on fees and interest rates and credit life regulations and submit a final report to the dtic.	-	-	Conduct an impact study of limitations on fees and interest rates and credit life regulations and submit a final report to the dtic.
Improved compliance through enforcement of the NCA.	Conduct investi- gations on credit providers relating to reckless lending.	Number of investigations conducted on credit provid- ers relating to reckless lending.	Q1 &Q2 188 of any or a combina- tion of the following were conducted (38 investi- gations, 104 compliance monitoing, 46 coplaints evaluations, 0 audits, 0 raids) Q3 &Q4 133 credit proviers were investigate/ compliance monitored/ complaints evaluated.	339 credit providers were investigated by way of compliance monitoring, audit, investiga- tions and complaints evaluations.	Conduct 300 investigtions on credit providers relating to reckless lending and/ or collection of prescribed debt.	Conduct 380 investiga- tions on credit providers relating to reckless lending.	***Conduct 400 investiga- tions on credit providers relat- ing to reckless lending.	***Conduct 450 investi- gations on credit providers relating to reckless lending.	***Conduct 480 investi- gations on credit providers relating to reckless lending.
	Enforce- ment action taken where necessary for the whole year.	Enforcement action taken by the end of the financial year on a percentage (%) of investi- gations which identified non-compli- ance relating to reckless lending by credit provid- ers.	Q1 &Q2 71% (133 \div 188) enforcement action taken on 133 of any or a combi- nation of the following (26 investiga- tions, 101 compliance monitoring, 6 complaints evaluations, 0 audits, 0 raids) Q3 & Q4 74% (99 \div 133) enforcement action taken on 99 credit providers investigate/ evaluated/ monitored.	94% (280/299) enforcement action was taken on credit providers where contravention of the NCA were found.	Take enforce- ment action on 60% of investiga- tions which identified non-com- pliance with regulations relating to reckless lending and/ or collection of prescribed debt by credit providers by the end of the financial year.	Take enforce- ment action on 70% of investiga- tions which identified non-com- pliance with regulations relating to reckless lend- ing by credit providers by the end of the financial year.	Take enforce- ment action on 75% of investi- gations which identified non- compliance with regulations relating to reckless lend- ing by credit providers by the end of the financial year.	Take enforce- ment action on 80% of investiga- tions which identified non- compliance with regulations relating to reckless lending by credit providers by the end of the financial year.	Take enforce- ment action on 85% of investigations which identi- fied non-com- pliance with regulations relating to reckless lend- ing by credit providers by the end of the financial year.

NATIONAL CREDIT REGULATOR | Three Year Annual Performance Plan 2022/23 - 2024/25

Outcome Outputs		utputs Output Indi- cators	Audited Actual Performance			Estimate Medium Term Targets Performance			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved compliance through enforcement of the NCA.	Improve compli- ance by hosting credit bureaus in respect of the removal of paid up judge- ments and adverse consumer credit in- formation.	Number of investigations conducted on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	-	-	6 credit bureaus were monitored.	Conduct 3 investiga- tions on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	Conduct 4 investigations on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	Conduct 5 investiga- tions on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	Conduct 6 investigations on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.
		Enforcement action taken by the end of the financial year on a percentage (%) of investi- gations which identified non-compli- ance by credit bureaus.	-	-	-	Take enforce- ment action on 75% of investiga- tions, which identified non-compli- ance by credit bureaus by end of the financial year.	Take enforcement action on 75% of investigations, which identified non-compli- ance by credit bureaus by end of the financial year.	Take enforce- ment action on 80% of investiga- tions, which identified non-compli- ance by credit bureaus by end of the financial year.	Take enforce- ment action on 85% of investiga- tions, which identified non-compli- ance by credit bureaus by end of the financial year.
		% of evaluated credit bureau annu- al compliance reports certified by an independent auditor for their previous financial year.	100% (13) credit bureaus' audited reports were received and evaluated. *Two (2) credit bureaus were found to be non-com- pliant and enforcement was taken on both.	Evaluated 100% (29) of registered credit bureau annual compliance reports certified by an indepen- dent auditor received from credit bureaus.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by registered credit bureaus for their 2019 financial year.	Evaluate 100% bureau annual compliance reports certified by an independent auditor submitted by registered credit bureaus for their 2020 financial year.	Evaluate 100% annual compliance reports certified by an indepen- dent auditor submitted by registered credit bureaus for their 2021 financial year.	Evaluate 100% annual compliance reports certified by an indepen- dent auditor submitted by registered credit bureaus for their 2022 financial year.	Evaluate 100% annual compliance reports certified by an indepen- dent auditor submitted by registered credit bureaus for their 2023 financial year.
		Enforcement action taken on a percent- age (%) of credit bureaus which were found to be non-compli- ant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year.	-	During the financial year, 11 credit bureaus were found to be non-compli- ant, 9 were issued with instructional letters and a settlement agreement was reached with one credit bureau. The investigation of one credit bureau is still underway.	Take enforce- ment action on 100% of credit bureaus which were found to be non-compli- ant after the evaluation of annual compliance reports certified by an indepen- dent auditor for their previous financial year by 31 March 2021.	Take en- forcement action on 70% of credit bureaus which were found to be non- compli- ant after the evaluation of annual compliance reports certified by an indepen- dent auditor for their previous financial year by 31 March 2022.	Take enforcement action on 75% of credit bureaus which were found to be non-com- pliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2023.	Take enforcement action on 80% of credit bureaus which were found to be non-compli- ant after the evaluation of annual compliance reports certified by an indepen- dent auditor for their previous financial year by 31 March 2024.	Take enforce- ment action on 85% of credit bureaus which were found to be non-compli- ant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2025.

Based on the estimated annual performance targets for 2021/22 financial year. ***Investigations include amongst others: complaints evaluations/compliance monitoring/audits/raids. ****The review is conducted at intervals of no more than 3 years, in terms of the NCA.

1.2.3 Output Indicators, Annual and Quarterly Targets

		Quarterly Milestones			
Output Indicator	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of investigations conducted on credit providers relating to total cost of credit to ensure compliance with the regulations.	***Conduct 440 investigations on credit providers relating to total cost of credit to ensure compliance with regulations.	100	120	120	100
Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non- compliance with regulations relating to the total cost of credit by credit providers.	Take enforcement action on 80% of investigations which identified non-compliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.	-	-	-	Take enforcement action on 80% of investigations, which identified non-com- pliance with regulations relating to the total cost of credit by credit providers, by the end of the financial year.
Number of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt.	***Conduct 400 investigations on credit providers relating to reckless lending.	90	110	110	90
Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non- compliance relating to reckless lending by credit providers.	Take enforcement action on 75% of investigations which identified non-compliance with regulations relating to reckless lending by credit providers by the end of the financial year.	-	-	-	Take enforcement action on 75% of investigations which identified non-com- pliance with regulations relating to reckless lending by credit providers by the end of the financial year.
Number of investigations conducted on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	Conduct 4 investigations on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	1	1	1	1
Enforcement action taken by the end of the financial year on a percentage (%) of investigations with identified non-compliance by credit bureaus	Take enforcement action on 75% of investigations, which identified non-compliance by credit bureaus by end of the financial year.	-	-	-	Take enforcement action on 75% of investigations, which identified non-compliance by credit bureaus by end of the financial year.
% of evaluated credit bureau annual compliance reports certified by an independent auditor for their previous financial year	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for their 2021 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by registered credit bureaus for their 2021 financial year.	-	-	-
Enforcement action taken on a percentage (%) of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2023.	Take enforcement action on 75% of credit bureaus which were found to be non- compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2023.	-	-	-	Take enforcement action on 75% of credit bureaus which were found to be non- compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2023.

*Based on the estimated annual performance targets for 2021/22 financial year. ***Investigations includes amongst others: complaints evaluations/compliance monitoring/audits/raids.

1.2.4 Explanation of planned performance over the medium-term period

- a) Promotion of affordable levels of credit granting, decreased levels of reckless lending and unfair practices and accurate consumer credit information will contribute towards economic transformation.
- b) In order to achieve these targets, the NCR requires a well-functioning infrastructure, adequate funding and capacity to enhance its efficiency and effectiveness.

1.2.5 Programme resource considerations

Enforcement of the National Credit Act							
Economic classification	Audited Expenditure Outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate		re Estimate
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Current payment Compensation of Employees.	R72.6m	R76.2m	R65.3m	R85.1m	R82.1m	R84.6m	R87.1m
Goods & services, etc.	R39.6m	R29.5m	R25.3m	R47.1m	R38.7m	R39.9m	R41.9m
Payments of capital assets Building and other fixed structure Machinery & Equipment.	R3.3m	R6.4m	R9.8m	R13.2m	R5.8m	R5.3m	R7.3m
Total	R115.5m	R112.1m	R100.4m	R145.4m	R126.6m	R129.8m	R136.3m

2. dtic Joint Key Performance Indicators (J-KPIs)

During 2021/22 financial year, the Minister set out a directive for all entities in the dtic family to work on a set of Joint KPIs (J-KPIs). Seven specific J-KPIs were identified.

The previous year's J-KPIs have been consolidated into three over-arching joint/integrated J-KPIs namely: Industrialisation, Transformation and Capable State. These are intended to support the dtic in achieving its outcomes.

The following Joint Indicators set out areas of focus that the National Credit Regulator (NCR) will report to on a quarterly basis to the Executive Authority.

NCR will contribute to achievement of the following joint indicators and the output required in a report to the Executive Authority. The report will set out the actions taken by NCR and highlighting the contributions to the achievement of the dtic outcomes. All NCR activities will be aligned to the District Model Reporting within the framework of the 52 spatial units (district municipalities), as required by the dtic.

J-KPI 1: Integrated support to drive Industrialisation:

Building dynamic firms through a combination of efforts in partnership with the private sector, focusing on opportunities to grow in the domestic market (through localisation-promotion policies, sector partnerships, beneficiation, promoting the green economy and fostering higher levels of investment); fostering higher levels of African economic integration through the African Continental Free Trade Area (AfCFTA) and building a wider export market for SA-products; with supply-side reforms to build competitiveness.

Outcome:	Increased industrialisation and localisation opportunities implemented	Performance period	2022/2023	
Output/s:	Report documenting the integrated support to drive industrialisation through master plans in national priority sectors; increased and diversified localisation through government and private sector procurement; and promotion of beneficiation.			
Indicator title:	Report on integrated support across dtic to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation.			
Indicator definition:	Integrated support across dtic to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation.			
Annual dtic Target/s:	Contribution by National Credit Regulator:	Resourcing (MTEF Budget Allocation):		
Integrated support to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation:	 Four quarterly reports on: I localisation initiatives implemented by NCR through procurement of strictly South African service providers/ companies (excluding ICT related procurement; Entering into an MOU with one regulator in one SADC country for regulatory information sharing, capacity 		urced within	

Output Indiana	Annual Taurat	Quarterly Milestones				
Output Indicator	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
A percentage of the procurement plan dedicated to increasing and diversifying localisation through government and private sector procurement and promotion of beneficiation.	80% of the Procurement (awards issued) from South African owned companies (excluding ICT procurement).	80% of the Procurement (awards issued) from South African owned Companies (excluding ICT procurement).	80% of the Procurement (awards issued) from South African owned Companies (excluding ICT procurement).	80% of the Procurement (awards issued) from South African owned Companies (excluding ICT procurement).	80% of the Procurement (awards issued) from South African owned Companies (excluding ICT procurement).	
Number of meetings held with Namibian Financial Institutions Supervisory Authority (NAMFISA) for regulatory information sharing, capacity building and to facilitate the opening of market opportunities to registrants.	Four meetings with NAMFISA for regulatory information sharing, capacity building and to facilitate the opening of market opportunities to registrants.	1 meeting	1 meeting	1 meeting	1 meeting	
A research report with recommendations on regulatory impediments in extending developmental credit.	A research report with recommendations on regulatory impediments in extending developmental credit.	Draft ToR for the research report on regulatory impediments in extending developmental credit.	Commence procurement and appoint a service provider.	Commence with the research and produce a draft report.	Finalise research and produce a report with recommendations.	
Number of training sessions conducted for credit providers on Form 39 statistical returns.	Conduct 4 training sessions for credit providers on Form 39 statistical returns.	1 training session for credit providers on Form 39 statistical returns.	1 training session for credit providers on Form 39 statistical returns.	1 training session for credit providers on Form 39 statistical returns.	1 training session for credit providers on Form 39 statistical returns.	

J-KPI 2: Actions to promote Transformation

Building economic inclusion through transformation programmes in three broad areas: first addressing structural challenges to growth through active competition policies, particularly where the concentration levels in markets limit new entrants and small and medium businesses; second, policies that promote spatial transformation, enabling more balanced growth between rural and urban and between provinces; and third, strengthening the inclusive/transformation in the quality of growth, including broadening ownership and more inclusive corporate governance models.

Outcome:	Promoting a growing and inclusive economy	Performance period	2022/2023	
Output/s:	Report on actions to promote transformation through structural changes in the economy to enabl greater inclusion and growth; and empowerment of designated groups, using the range of publi tools such as procurement, incentives, technical support and enabling opportunities.			
Indicator title:	Report on actions to promote transformation through structural changes in the economy to enargreater inclusion and growth; and empowerment of designated groups, using the range of put tools such as procurement, incentives, technical support and enabling opportunities.			
Indicator definition:	Actions to promote transformation through structural changes in the economy to enable gree inclusion and growth; and empowerment of designated groups, using the range of public t such as procurement, incentives, technical support and enabling opportunities.			
Annual dtic Target/s:	Contribution by National Credit Regulator:	Resourcing (MTEF Budget	Allocation):	
Actions to promote transformation through both structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities:	 Four quarterly reports on the contributions made by NCR to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups through: Efficiencies in the registration process of persons and entities; Training and educational sessions; and Appointment of interns. 	This indicator will be reso current entity resources	urced within	

Outrast Indiantan	Annual Target	Quarterly Milestones				
Output Indicator		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	
Number of NCA training/ courses conducted for employees.	Conduct 9 NCA training/ courses for employees.	Develop and obtain approval of the training/ courses plan.	Conduct 3 training/ courses.	Conduct 3 training/courses.	Conduct 3 training/courses.	
Number of interns appointed.	Appoint 2 interns.	Commence recruitment process to appoint one intern (advert).	Appoint one intern.	Commence recruitment process to appoint one intern (advert).	Appoint one intern.	
Number of NCA training sessions for women owned companies conducted.	Conduct 3 NCA training sessions to women owned companies.	Develop and obtain approval of the implementation plan.	Conduct 1 NCA training session to women owned companies.	Conduct 1 NCA training session to women owned companies.	Conduct 1 NCA training session to women owned companies.	
Number of NCA educational sessions for youth.	Conduct 2 NCA educational sessions for youth.	Conduct 1 NCA educational sessions for youth.	-	-	Conduct 1 NCA educational sessions for youth.	
Number of NCA workshops conducted in townships for consumers/registrants.	Conduct 4 NCA workshops for consumers/registrants.	Conduct 1 NCA workshops for consumers/ registrants.	Conduct 1 NCA workshops for consumers/ registrants.	Conduct 1 NCA workshops for consumers/ registrants.	Conduct 1 NCA workshops for consumers/ registrants.	

J-KPI 3: Delivery/Capable State

Building a new culture of partnership in the economy, characterised by greater responsiveness and nimbleness by the Department and entities, which includes reviewing internal processes and legislation/regulations that make it harder for small businesses and investors to grow their businesses (and replacing these with smart regulation that achieves key public policies in the least bureaucratic manner possible).

Outcome:	Functional, efficient and integrated services within the dtic to improve economic development and ease of doing business	Performance period	2022/2023
Output/s:	Actions to promote functional, efficient and integrated government and measures to reduce red tape across dtic and entities.		
Indicator title:	Report on strengthening and building capabilities and agility in the dtic and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business.		
Indicator definition:	Strengthening and building capabilities and agility in the dtic and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business.		
Annual dtic Target/s:	Contribution by National Credit Regulator:	Resourcing (MTEF Budget	Allocation):
Review of unnecessary red tape and compliance reporting requirements in dtic entities and programmes; monitoring implementation times of dtic services:	 Four quarterly reports on measures enacted by NCR to improve the ease of doing business: Efficiencies in the registration process of persons and entities; and Efficiencies in the payment process. 	This indicator will be reson current entity resources.	urced within

Output Indiantau	Annual Tarrat	Quarterly Milestones				
Output Indicator	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of reg- istration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.	
Percentage (%) of invoices paid within a number of days of re- ceipt of valid supplier invoices.	Pay 100% of invoices within 30 days of receipt of valid supplier invoices.	Pay 100% of invoices within 30 days of receipt of valid supplier invoices.	Pay 100% of in- voices within 30 days of receipt of valid supplier invoices.	Pay 100% of invoices within 30 days of receipt of valid supplier invoices.	Pay 100% of invoices within 30 days of receipt of valid supplier invoices.	

3. Key Strategic Risks and Mitigations

The Risk Management and Fraud Prevention Plan has been provided for as Annexure A.

The following table provides a summary of the NCR's key risks, as well as existing controls to mitigate the risks.

Outcomes	Key risk	Risk mitigation
 Improved consumer protection through education and awareness of the NCA. Increased efficiency in registration of persons and entities to facilitate creation of job opportunities. Improved compliance through enforcement of the NCA. 	 Funding Insufficient funding from the National Treasury may lead to a shortage of funds, resulting in the NCR's inability to meet long and short term financial commitments and execution of strategic objectives; Failure to collect renewal fees from registrants. 	 New registration thresholds for credit providers are in place; Update of the Portfolio Committee as and when required; Prepared & submitted annual cash flow projections to the dtic; Invoicing of all registrants a month before fees are due; Uncapping of branch fees; Registration certificates & window decals issued annually upon renewal & not once off; Lapsing policy implemented; Budget mid-term reviews & reprioritisation of funds; Approval of annual budget by EXCO; Annual approval of the procurement plan by EXCO; Monthly Departmental variance reports to compare actual vs. budget; Implementation of imposition of penalties for late renewals automated on GP; ICT collaboration projects with NCT in place (MOU signed between NCR & NCT).
	 Information Technology Innovations and / advancements in the external technological environment, may threaten NCR's current business model and the ability to adequately and efficiently service clients. 	 Assessment of the new IT infrastructure and implementation to date; Off-site storage of backups; Internal auditors ensure assurance role; NCR COBIT/King IV Governance Implementation plan documented; Network infrastructure improved; Additional servers acquired e.g. SA, Operational system; Network monitoring tool has been acquired; Network firewall and antivirus; ICT disaster Recovery Plan and Policy in place; ICT Steering, ICT Project & ICT operational committee in place; Alignment of ICT governance framework; Upgraded Great Plains system (Finance).

Outcomes	Key risk	Risk mitigation
	Fraud and Corruption Internal Fraud NCR staff members fraudulent- ly charging consumers fees for services rendered; Kickbacks to staff by registrants e.g. inspectors, com- pliance monitoring officers, bribes offered to supply chain officials & other NCR employees, etc; Falsified employment credentials; Abuse of leave by employees; Theft of fixed assets, including computers and other IT related assets; Unauthorised private use of NCR assets; Misrep- resentation of suspense accounts; Unauthorised payroll transactions, Conflict of interest. Manipulation of RFQ/tender documents. External Fraud	 Consumer education activities on services offered by NCR are conducted; Pre-employment screening; Leave audit and updates conducted monthly and sent to management; Asset verification (incluiding IT equipment) conducted quarterly; Physical security controls; Declaration of interest by all employees conducted/ SCM officials; Suspense account reviewed monthly; Consequence management; Segregation of duties in the payroll processing/release; Fraud awareness activities conducted quarterly (by departments as well); Tip off anonymous hotline; Qualifications and skills audit conducted annually (new employees); Circular/Notice issued to registrants regarding fraudulent letters & to confirm the banking details of NCR.
	Forgery of NCR registration certificates by unregistered credit providers; Forgery of NCR banking details by fraudsters. COVID-19 Impact of COVID-19 on NCR's operations: the health NCR employees and funding.	 Provision of sanitizers, facial masks, personal protective equipment, body temperature monitoring, social distancing observed, regular disenfection and provision of sickroom; Provision of remote working tools (43 laptops delivered & allocated to staff);
		 COVID-19 Policy in place; Remote working policy in place; Provision of mental health & psychological support though Careways; Regular reminders of compliance to Regulations.
	Business Continuity Management In the event of a major business disruption, including the impact of Covid-19; the NCR may not be able to continue with the business due to lack of BCP resulting in non-achieve- ment of business objectives.	 Risk assessment on security (physical and ICT) are regularly performed; Maintenance plan in place for office equipment and building; ICT disaster recovery and BCM Plans are in place; *Alignment to Covid-19 Regulations; Implemented the BCP in terms of people working remotely where possible; Emergency preparedness & response plan in place; Emergency preparedness & fire extinguishers; Information security policy in place; Insurance cover in place; Health & safety committee/disaster recovery team established; CCTV survellience, electric fence, perimeter lighting, access control & alarm system are in place; Fire drills are conducted; Drainage system in place/proper signage in place (OHSA); Approved disaster recovery plan; Encryption of new laptops; First aid kits available; Server monitoring & alert system which will notify if the server triggers fire/smoke, excessive humidity, water flooding, intrusion detection, server power failure, temperature (overheating) implemented; NCR has a generator in place to power the whole NCR; Simulation exercise to test the functionality of generator was performed; Introduction of new ICT technology; Adherence to COVID-19 protocols; BCM training conducted; ICT disaster recovery plan - Functional disaster recovery site; Occupational Health and Safety Practitioner appointed;

4. Materiality Significance Framework

Framework has been provided for as Annexure B.

PARTDARTDESCRIPTIONS(TIDS)

Items	Guide
Indicator title	Number of consumer education and awareness campaigns and activities conducted on consumer rights.
Definition	A measuring tool relating to the consumer education and awareness campaigns and activities conducted on consumer rights.
Source of data	Consumer education and awareness reports (media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Method of calculation or assessment	Quantitative - Simple count of consumer educations and awareness campaigns and activities.
Means of verification	Consumer education and awareness reports (media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Assumptions	Cooperation by stakeholders and consumers in the education and awareness campaigns.
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually
Desired performance	To increase the level of public awareness on consumer rights.
Indicator responsibility	Manager: Education & Communication

Items	Guide
Indicator title	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices.
Definition	A measuring tool relating to the consumer education and awareness campaigns and activities conducted on deceptive and unfair credit practices.
Source of data	Consumer education and awareness reports (media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Method of calculation or assessment	Quantitative - Simple count of consumer educations and awareness campaigns and activities.
Means of verification	Consumer education and awareness reports (Media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Assumptions	Cooperation by stakeholders and consumers in the education and awareness campaigns.
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually
Desired performance	To increase the level of public awareness on deceptive and unfair credit practices.
Indicator responsibility	Manager: Education and Communication

Items	Guide
Indicator title	% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.
Definition	Measuring tool to improve efficiency in the registration process of persons and entities.
Source/collection of data	Reports from the registration's ICT system, signed imposed conditions of registrations and the finance ICT system.
Method of calculation	Quantitative Total number of persons and entities registered within 7 business days of receipt of signed proposed conditions and payment of registration feesX 100 Total number of persons and entities registered = Total percentage (%) of new persons and entities registered
Means of verification	Reports on persons and entities registered (Reports include the number of days taken to register), registration certificates and window decals.
Assumptions	An improved and efficient ICT system and/or increased capacity.
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually
Desired performance	To improve efficiencies in registration which may lead to the establishment of new SMMEs and job facilitation.
Indicator responsibility	Manager: Registrations

ltems	Guide			
Indicator title	Number of investigations conducted on credit providers relating to total cost of credit to ensure compliance with regulations			
Definition	A measuring tool relating to investigations conducted on credit providers pertaining to the total cost of credit.			
Source/collection of data	 Compliance monitoring reports; Investigation reports; Audit reports; and Complaints evaluation reports. 			
Method of calculation	Quantitative (Simple count of total number of investigations conducted).			
Means of verification	 Investigation reports Compliance monitoring reports; Audit reports; and Complaints evaluation reports. 			
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.			
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 			
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 			
Calculation type	Cumulative (year-end)			
Reporting cycle	Quarterly and annually			
Desired performance	Improved compliance with the NCA and its regulations by credit providers.			
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance			
Items	Guide			
--	---	--	--	--
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investiga tions which identified non-compliance with regulations relating to the total cost of credit by credit providers.			
Definition	A measuring tool relating to enforcement action taken against credit providers for non-compliance with the regulations relating to the total cost of credit.			
Source of data	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements).			
Method of calculation or assessment	Quantitative			
	Total number of enforcement actions taken. X 100			
	Total number of investigations which identified non-compliance with the regulations relating to the total cost of credit by credit providers			
	= Total percentage (%) of enforcement action taken.			
Means of verification	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements).			
Assumptions	There will be sufficient and efficient resources			
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 			
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 			
Calculation type	Cumulative (year-end)			
Reporting cycle	Annually			
Desired performance	Improved compliance with the NCA, consumer protection and redress			
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance			

Items	Guide		
Indicator title	Number of investigations conducted on credit providers relating to reckless lending.		
Definition	A measuring tool relating to investigations conducted on credit providers pertaining to reckless lending.		
Source of data	 Compliance monitoring reports; Investigation reports; Audit reports; and Complaints evaluation reports. 		
Method of calculation or assessment	Quantitative (Simple count of total number of investigations conducted).		
Means of verification	 Investigation reports Compliance monitoring reports; Audit reports; and Complaints evaluation reports. 		
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.		
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 		
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 		
Calculation type	Cumulative (year-end)		
Reporting cycle	Quarterly and annually		
Desired performance	Improved compliance with the NCA and its regulations by credit providers.		
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance		

Items	Guide		
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance relating to reckless lending by credit providers.		
Definition	A measuring tool relating to enforcement action taken against credit providers for non-compliance relating to reckless lending.		
Source of data	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements).		
Method of calculation or assessment	Quantitative Total number of enforcement actions taken. Total number of investigations which identified non-compliance relating to reckless lending = Total percentage (%) of enforcement actions taken		
Means of verification	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements).		
Assumptions	There will be sufficient and efficient resources		
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 		
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 		
Calculation type	Cumulative (year-end)		
Reporting cycle	Annually		
Desired performance	Improved compliance with the NCA, consumer protection and redress.		
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance		

Items	Guide	
Indicator title	Number of investigations conducted on hosting credit bureaus relating to the removal of paid up judgements and adverse consumer credit information.	
Definition	A measuring tool relating to investigations conducted on credit bureaus.	
Source of data	 Compliance monitoring reports. Investigation reports Audit reports Complaints evaluation reports (closure letters). 	
Method of calculation or assessment	Co-operation and compliance by credit bureaus, credit providers and consumers	
Means of verification	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A	
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.	
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 	
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 	
Calculation type	Cumulative (year-end)	
Reporting cycle	Quarterly and Annually	
Desired performance	Improved compliance with the NCA by credit bureaus	
Indicator responsibility	Manager: Credit Bureau Compliance	

Items	Guide		
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance by credit bureaus.		
Definition	A measuring tool relating to enforcement action taken against credit bureaus for noncompliance with the NCA.		
Source of data	Enforcement tools (issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements)		
Method of calculation or assessment	Quantitative		
	Total number of enforcement actions taken. X 100		
	Total number of investigations which identified non-compliance with the NCA		
	= Total percentage (%) of enforcement action taken		
Means of verification	Enforcement tools (issued compliance notices/ instructional letters/ referrals to the NCT and and Courts; and Settlements)		
Assumptions	There will be sufficient and efficient resources		
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 		
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 		
Calculation type	Cumulative (year-end)		
Reporting cycle	Annually		
Desired performance	Improved compliance with the NCA, consumer protection and redress.		
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance		

Items	Guide			
Indicator title	% of evaluated credit bureau annual compliance reports certified by an independent auditor for their previous financial year.			
Definition	A measuring tool relating to the evaluation of credit bureau annual compliance reports certified by an independent auditor for their previous financial year.			
Source of data	 Credit bureau annual compliance reports certified by an independent auditor for the previous financial year. Evaluation reports 			
Method of calculation or assessment	Number of annual compliance reports evaluated X 100			
	Total number of annual compliance reports received			
	= Total percentage (%) of evaluated annual compliance reports			
Means of verification	Evaluation reports			
Assumptions	Sufficient and efficient resources to evaluate the annual compliance reports.			
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 			
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 			
Calculation type	Cumulative (year-to-date)			
Reporting cycle	Quarterly and Annually			
Desired performance	Improved compliance with NCA.			
Indicator responsibility	Manager: Credit Bureau Compliance			

Items	Guide			
Indicator title	Enforcement action taken on a percentage (%) of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year.			
Definition	A measuring tool relating to enforcement action taken on credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year.			
Source of data	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements)).			
Method of calculation or assessment	Number of annual compliance reports evaluated X 100 Total number of credit bureaus which were found to be non-compliant = Total percentage (%) of enforcement action taken.			
Means of verification	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts; and Settlements)			
Assumptions	Sufficient and efficient resources to evaluate the annual compliance reports.			
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A 			
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A 			
Calculation type	Cumulative (year-end)			
Reporting cycle	Annually			
Desired performance	Improved compliance with NCA.			
Indicator responsibility	Manager: Credit Bureau Compliance			

Annexure A

1. Risk management and Fraud prevention plan

Fraud Prevention Plan:

The NCR fraud prevention plan has been developed within the context of the Risk Management framework with the aim to set out and highlight the NCR's policy of zero tolerance towards fraud and corruption as well as management's commitment to combating all forms of fraud inherent in the NCR's operations.

The Public Finance Management Act, Act No.1 of 1999 (PFMA), as amended, has as its prime objective of the institutions to which the Act applies, to secure transparency, accountability and management of revenue, assets, and liabilities within a spirit of good corporate governance.

The main objectives of the plan include:

- To encourage a culture within the NCR where all employees and stakeholders continuously behave ethically in their dealings with or on behalf of the NCR.
- To improve accountability, efficiency and effective administration within NCR.
- To encourage all employees and other stakeholders to strive toward the prevention and detection of fraud impacting, or having the potential to impact on NCR.
- To communicate channels and procedures for the reporting of fraud and any other irregularities.
- To take appropriate legal action and apply realistic sanctions where an investigation reveals fraud by ensuring that there is the integration of risk management, ownership of the control environment, investigative and legal skills.
- To use all possible means to seek redress in respect of money and assets lost to fraud by ensuring that the recovery of defrauded money and assets forms an essential part of our overall strategy to ensure that committing fraud does not pay, whatever the legal outcome of an investigation.

The main principles of the Fraud Prevention Plan are:

- Creating a culture which is tolerant to fraud
- Deterrence of fraud
- Preventing fraud which cannot be deterred
- Detection of fraud
- Investigating detected fraud
- Investigating detected fraud
- Taking appropriate action against fraudsters (e.g. prosecution & disciplinary action)
- Appropriate recovery or the application of a sanction.

The NCR's Code of Conduct contains the fundamental ethical principles, which staff members and those who render services to the NCR on a contract basis must adhere to.

The principles are:

- Professionalism and integrity
- Conduct with others
- Obligations to stakeholders.

Basic internal controls to prevent and detect fraud and the training of employees in internal controls and their day-to-day duties are critical to the success of this plan. The systems, policies and procedures of the NCR prescribe various controls, which, if effectively implemented, would limit the risk of fraud. These controls are categorised as:

- Preventative controls:
 - o Authorisation

All transactions require authorisation or approval by an appropriate responsible person. The limits of these authorisations are specified in the delegations of the authority of the NCR.

o Custody of assets

Involves procedures and security measures designed to ensure that access to assets is limited to authorised personnel and personnel held accountable for the assets.

Detection controls

o Arithmetic and accounting

Procedures to ensure processed and recorded transactions have been authorised are accurate and complete. Controls include checking the arithmetical accuracy of records, the maintenance and checking of totals, reconciliations, control accounts and accounting for documents.

o Physical

Relates to the security of records, underpinning arithmetic and accounting controls. Similar to preventative controls, these controls are also designed to limit access.

o Supervision

Relates to supervision by responsible officials over day-to-day transacting and subsequent recording thereof.

• Management Information

Relates to the review of management accounts and budgetary control. Exercised by management independent of the processing system.

Detection of fraud and corruption may occur through:

- Internal audit
- Ongoing risk assessment and management
- Fraud detection activities
- Procedure for reporting of alleged fraud and corruption
- Procedure to be followed by an employee if he/she suspects fraud
- Procedure to be followed by a member of the public, customers, service providers or other stakeholders if they suspect fraud.

Implementation and maintenance of the fraud prevention plan includes:

- Creating awareness
- Communication
- On-going maintenance and review.

The Accounting Authority is ultimately responsible to create an environment that demonstrates the zero tolerance to fraud and corruption as included in the culture of the NCR.

The NCR recognises that the consistent and efficient application of disciplinary measures is an integral component of effective fraud prevention. The NCR will continue to pursue the following steps to expedite the consistent, efficient and speedy application of disciplinary measures:

- Creating awareness amongst employees of forbidden conduct in terms of the disciplinary code and taking appropriate action against offenders
- Ongoing and sustained training of managers in the application of disciplinary measures and the disciplinary process
- Developing a system to facilitate the consistent application of disciplinary measures
- Regular monitoring and review of the application of discipline to improve weaknesses identified.

In the event that there is merit in the allegations, these must be recorded and reported to the CEO and investigated, if the CEO is involved, the allegation must be referred to the Minister of Trade, Industry and Competition for a decision.

If the person involved is an EXCO member, the allegations must be reported to the Chairperson of the Audit and Risk Management Committee who must decide on the course of action to be taken.

The above processes ensure that uninvolved parties are not negatively affected by malicious reports and that the intent to cause such damage is dealt with and disciplinary action taken where necessary.

Annexure B

Materiality and Significance Framework

1. Background

The National Credit Regulator (NCR), as a Schedule 3A Public Entity is required to prepare a Materiality and Significance Framework for the organisation to give effect to the amended Treasury Regulations issued in terms of the Public Finance Management Act. 1999, March 2005, whereby the following requirement was placed on public entities:

• Section 28.3.1 – "For purposes of material [section 55(2) of the Act) and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant executive authority."

Matters indicated as Material or Significant, highlight important information that relates to the NCR's strategy, governance, performance and future prospects, and have the potential to impact the decisions of stakeholders.

The Materiality and Significance Framework enhances the efficiency and effectiveness of decision-making processes and how NCR reports on the outcomes of decisions.

2. Methodology

Materiality and Significance should be considered for:

- Non-financial matters (qualitative);
- Financial matters (quantitative); and
- Matters relating to the preparation of financial statements and assessment of appropriate disclosure.

The consideration should include:

- Guidelines issued by the National Treasury;
- Nature of the NCR's business;
- Statutory requirements affecting the NCR; and
- Inherent and control risks associated with the NCR.

In determining if a matter is material or significant, the following matrix is used.

Determination	Interpretation	Reporting requirement
Material	Matters that are critical to the success of the entity's strategy and to stakeholders.	Matters emphasised in reporting.
Significant (but not material)	Matters related to compliance requirements, operational performance and stakeholder perception.	Reporting on matters required by legislation.
Non-material non-significant	Matters that does not warrant significant action.	No reporting.

In setting parameters for the rand value of determining materiality it should be noted that in terms of Treasury Regulation 28.3.1, the acceptable levels must be agreed with the Executive Authority and in arriving at the acceptable levels of materiality, the following guiding principles should apply:

Element	% range
Total Assets	1% - 2%
Total Revenue	0.5% - 1%
Profit after tax	2% - 5%

In finalising the rand amount to be applied, sound judgement is required in determining the most appropriate element or averaging of elements. Parameters should be derived from certain elements of the audited annual financial statements and reviewed annually.

3. Non-financial matters (qualitative)

The non-financial materiality is derived from legislation that requires the NCR to report certain incidents, or requires disclosure in the annual report.

Section 51(1)(g) of the PFMA states that the accounting authority for a public entity must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment.

Section 54(2) of the PFMA states that the accounting authority for the public entity must inform the relevant treasury and submit relevant particulars to its executive authority for approval in respect of:

- participation in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2)(b)];
- acquisition or disposal of a significant shareholding in a company [section 54(2)(c)];
- acquisition or disposal of a significant asset [section 54(2)(d)];
- commencement or cessation of a significant business activity [section 54(2)(e)]; and
- a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2)(f)].

Section 55(2)(b)(i) of the PFMA states that the annual report and financial statements must include particulars of any material loss through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.

Based on the above, the NCR has considered the non–financial matters as significant and the following requires reporting:

- Any transaction that causes any interest (equity or loans) to be taken by the NCR in a company to be established;
- A business activity that falls outside of a NCR's core business;
- The acquisition and disposal of a significant asset;
- All losses in respect of criminal conduct;
- Any irregular, fruitless and wasteful expenditure; and
- Any criminal or disciplinary steps taken as a consequence of losses incurred.

4. Financial matters (quantitative)

In considering the elements as indicated in the Methodology, the NCR believes that Profit after Tax is an inappropriate measurement tool as the intention is to use the funds allocated to the NCR in full in each accounting period.

Total Assets are a smaller part of the expenditure budget, however the long term impact of the use thereof is significant and the NCR will consider this element.

Revenue consist of a large portion of transfer payment received from the National Treasury (dtic) which is not naturally within the entity's control. It is the view of the NCR that expenditure is a more appropriate measure, as the amount of revenue recognised is reduced by funds not spent.

In using the parameters the following results have emerged.

	Total Assets		Total Expenses		
R-value per Annual Financial Statements 2021	R89 941 582		R125 171 990		
Parameter (top %)	2%	R1 698 832	1%	R1 251 720	
Parameter (bottom %)	1%	R849 416	0.5%	R625 860	
Materiality rand value per element	R1 698 832		rand value per element R1 698 832 R1 251 720		

In the interest of prudence, the rand value for materiality for financial matters is set at R1 251 720.

The NCR adjusts the annual financial statements for any errors identified during the external audit process, irrespective of the amount. In matters of judgement, where there is disagreement with the external auditors, items exceeding the amounts identified above will be referred to the Executive Committee and the Audit and Risk Management Committee and appropriate disclosure made in the annual financial statements where necessary. This aims to ensure that the financial statements fairly present the financial position and performance of the NCR.

5. Matters relating to the preparation of financial statements and assessment of appropriate disclosure

In preparation of annual financial statements, consideration is given to the nature of the activities of the NCR and the areas where significant judgement is exercised.

The most significant line items in the trial balance of the NCR are revenue and personnel expenditure including executive emoluments.

Revenue requires judgement as the determination of what portion of the transfer payment should be recognised as revenue and what portion should be surrendered as unused is complex.

Remuneration of employees is influenced by the determination of the amount of the provision for leave pay requires judgement of the days leave that should be accrued and the rate at which the leave should be accrued.

Both remuneration of Executive members and Employees are sensitive issues in the public sector and users pay specific attention to it.

Based on this assessment, at least the following accounting policies should be disclosed in the Annual Report under significant matters within this Framework:

- Employee benefits (including leave accrual where applicable)
- Revenue recognition (including surrendering of surplus where applicable)



BEWARE OF MASHONISAS Never give your ID or Bank Card to Mashonisa. It is illegal!

Call NCR on 0860 627 627.

the d

STRATEGIC PLAN 2022 23 - 2026 27

List of Abbreviations

AA	Accounting Authority		Poporting
ACFTA	Accounting Authority African Continental Free Trade Area	ICT	Reporting Information Communication and
ADRA	Alternative Dispute Resolution Agent	IC I	Technology
AGSA	Auditor-General of South Africa	JKPI	Joint Key Performance Indicator
ARMC	Audit and Risk Management	MFSA	Microfinance South Africa
	Committee	MTSF	Medium Term Strategic Framework
AVE	Advertising Value Equivalence	MoU	Memorandum of Understanding
BBBEE	Broad-Based Black Economic	NAMFISA	Namibian Financial Institutions
	Empowerment		Supervisory Authority
BCM	Business Continuity Management	NCA	National Credit Act
BCP	Business Continuity Planning	NCAA	National Credit Amendment Act
CBA	Credit Bureau Association	NCC	National Consumer Commission
CBDA	Cooperative Banks Development	NCR	National Credit Regulator
	Agency	NCT	National Consumer Tribunal
CBM	Credit Bureau Monitor	NDP	National Development Plan
CCMR	Consumer Credit Market Report	NSF	National Skills Fund
CCI	Consumer Credit Index	NSFAS	National Student Financial Aid
CEO	Chief Executive Officer		Scheme
CFO	Chief Financial Officer	PA	Prudential Authority
CIF	Credit Industry Forum	PDA	Payment Distribution Agent
CIPC	Companies and Intellectual Property	PFMA	Public Finance Management Act
	Commission	SACCRA	South African Credit and Risk
COO	Chief Operations Officer		Reporting Association
COTII	Council of Trade and Industry	SAPS	South African Police Service
	Institutions	SARB	South African Reserve Bank
COVID-19	Novel Coronavirus Disease	SADC	Southern African Development
CSD	Central Supplier Database		Community
DPME	Department of Planning, Monitoring	SCM	Supply Chain Management
	and Evaluation	SEDA	Small Enterprise Development
DPSA	Department of Public Service and		Agency
	Administration	SEFA	Small Enterprise Finance Enterprises
dtic	Department of Trade, Industry and	SMME	Small, Medium and Micro
	Competition		Enterprises
EE	Employment Equity	SMS	Short Message Service
EXCO	Executive Committee	SCA	Supreme Court of Appeal
FIC	Financial Intelligence Centre	UIF	Unemployment Insurance Fund
FSCA	Financial Sector Conduct Authority	WHO	World Health Organisation
GDP	Gross Domestic Product	4IR	Fourth Industrial Revolution
ICCR	International Committee on Credit		
i con	International committee on creat		

Definitions used to measure performance

Effective	Successful in producing a desired or intended result
Enhance	Improve the quality of performance
Support	To give assistance
Facilitate	To make an action or process easier

Table of Contents



Executive Authority Statement

Mr Ebrahim Patel Minister of Trade, Industry and Competition

The Annual Performance Plan (APP) identifies the outputs, output indicators and targets that an entity aims to achieve in the new financial year, and is guided by the five year vision of the Strategic Plan. The Executive Authority is responsible for providing direction on the development and implementation of policies and strategic priorities of entities in line with their respective mandates, and to ensure the Strategic Plan and APP are aligned to government's priorities.

The environment in which the APPs of the Department of Trade, Industry and Competition **(the dtic)** and our entities have been formulated remains challenging, given the impact of the COVID-19 pandemic, the July 2021 unrest and more recently the Russia/Ukraine war. At the same time, determined efforts by the Administration has seen signs of economic recovery and greater investor confidence in economic prospects. In this light, Government's priority focus continues to be the recovery of growth, investment and employment, guided by the Economic Recovery and Reconstruction Plan adopted in 2020, and the tasks outlined by President Ramaphosa in the 2022 State of the Nation Address.

This Strategic Plan is expected to take forward the strategic shift initiated in 2021/2022 toward strengthened implementation and impact of **dtic's** work, through greater integration of efforts within the department and our entities, guided by shared, crosscutting outcomes and joint performance indicators. In this regard, the work of the **dtic** and the entities will be evaluated in relation to three over-arching Outcomes (which incorporate the previous "Joint-KPIs") namely **Industrialisation; Transformation**; and **Capable State** (Implementation/ Effective Delivery). In this way these Outcomes more deliberately and directly inform respective outputs and KPIs of the department and entities.

In turn, the scope of the outputs collectively still encompass the identified **dtic's** priorities, which include among others, the work of sector masterplans, initiatives to boost levels of investment and localisation in the economy, expanding trade within the continent, enabling better local economic development, supporting the growth of new industries (in the green economy and through beneficiation) and building a capable state, in particular addressing red tape as prioritised by the President in the 2022 State of the Nation Address.

Every entity in the **dtic** has been requested to align their Strategic Plans and APPs to the three outputs, it being recognised that a particular entity's core business links more clearly and strongly to one or the other of the overarching Outcomes, than to others.

This Strategic Plan represents the outcome of the work done by the National Credit Regulator. Following the tabling of the APP by the **dtic** itself, each entity of the Department will be expected to consider such additional refinement and additions to be made and following completion of the review, such an addendum to this Strategic Plan may be submitted in due course after the tabling.

This Strategic Plan is therefore not about many new objectives but rather on a new way of implementation, with the focus on integration, to enhance the development impact of the work. I accordingly table the Strategic Plan for 2022/23 - 2026/27 in accordance with the request by the Speaker.

I wish to thank the management for the work done and wish them well in executing the Strategic Plan and aligning their work to government's overall programmes and priorities.

Morri Pas

Mr Ebrahim Patel Minister of Trade, Industry and Competition



Accounting Officer Statement

Ms Nomsa Motshegare Accounting Authority and Chief Executive Officer

OVERVIEW OF THE NCR AND ITS VISION

The NCR's mandate entails promoting a fair and nondiscriminatory marketplace for access to consumer credit, promoting responsible credit granting and the prohibition of reckless credit granting as well as protecting consumers through enforcement of the National Credit Act, No. 34 of 2005 (NCA).

The NCR is driven by the imperatives of advancing the social and economic welfare of South Africans in the consumer credit industry.

Overall focus during the previous planning period

The strategic focus areas for the previous planning period included:

- Education and awareness campaigns on deceptive and unfair practices, and consumer rights;
- Monitoring and enforcement programmes in particular in relation to the new registrants. The National Credit Amendment Act, No. 7 of 2019 (NCAA) and its regulations make provision for all credit providers to be registered with the NCR and the threshold was reduced to R1;
- Monitoring and enforcement programmes in relation to collection and sale of prescribed debt and credit providers to be encouraged to refrain from doing this;

- Monitoring compliance with the Affordability Assessment Regulations;
- Monitoring compliance with regulations regarding the total cost of credit including credit life insurance;
- Monitoring and enforcement programmes in relation to quality, accuracy, the removal of paid up judgements and adverse consumer credit information; and
- Improved awareness of the work undertaken by the NCR and its success stories.

These focus areas were aligned to the programmes and core themes of the dtic. Measurable performance indicators as well as an analysis of external and internal factors that could affect the ability to achieve our goals were clearly identified. Strategic risks, as well as possible mitigating controls were also identified.

Key accomplishments during previous planning period

Key accomplishments during the 2020/21 financial year include the following:

• **Good corporate governance:** As a result of the prudent financial management and corporate governance practised, the NCR achieved an unqualified audit opinion for the 2020/21 financial year and clean audits for 2014/15, 2015/16, 2017/18, 2018/19 and 2019/20. We submitted the Three-Year Annual Performance Plan for 2021/22-2023/24, the

Five-Year Strategic Plan for 2021/22-2025/26 and the Annual Report 2020/21 in line with Parliamentary timelines.

Consumer education and community outreach Despite restrictions related to the COVID-19 pandemic, the NCR in partnership with various stakeholders, conducted 199 educational activities during 2020/21. These activities included workshops, exhibitions, mall activations and meetings.

Collaboration and co-operation

The NCR is active locally and internationally. It participated in quarterly regulatory cluster meetings of the Council of Trade and Industry Institutions (COTII). These meetings facilitate information sharing and the pooling of resources to work together as regulators. The NCR also collaborated with the NCT, South African Credit and Risk Reporting Association (SACCRA), Credit Bureau Association (CBA) and the Intergovernmental Fintech Working Group (IFWG), among others.

The NCR participated in the African Dialogue on Consumer Protection webinar and the International Committee on Credit Reporting (ICCR) webinar on tech-sprints as an innovative regulatory tool.

Consumer redress

Through its complaints resolution, compliance monitoring and investigation process, the NCR ensured that approximately R30 million in the form of refunds and credit account balance adjustments was granted to consumers.

Referrals

The NCR referred 51 cases to the National Consumer Tribunal (NCT), successfully negotiated 46 consent orders and issued 9 compliance notices. Contraventions included: failure to conduct proper affordability assessments, use of child grants as proof of income, and overcharging interest and service fees.

Registration

A total of 1 076 new credit providers were registered with the NCR in 2020/21 financial year. The increase in the number of credit providers registered may lead to job creation and economic growth.

• Service delivery

The NCR concluded an MoU with the Credit Ombud. The purpose of the MoU is to provide consumers with alternative avenues for submitting credit related complaints, thus improving service delivery to consumers.

Statistics and research

Notwithstanding challenges emanating from the COVID-19 pandemic, the NCR published three quarterly Consumer Credit Market Report (CCMR) and Credit Bureau Monitor (CBM) reports, which contain vital data on trends and statistics.

Communication and media

The NCR issued nine media releases, conducted 553 radio interviews and 24 television interviews. These positively

added to the NCR's brand and increased its brand visibility across the country. Media releases provided advice to consumers on relevant topics such as avoiding panic buying in response to the COVID-19 pandemic.

Strategic focus for the period ahead

In preparing the NCR Annual Performance Plan 2022-2025, the NCR used the Revised Framework for Strategic Plans and Annual Performance Plans issued by the Department of Planning, Monitoring and Evaluation (DPME).

The NCR Annual Performance Plan 2022-2025, together with the Strategic Plan 2022-2027, institutionalises the national priorities as summarised in the Executive Authority Statement.

For the period ahead, the main strategic focus for the NCR will be in the area of employment facilitation for job creation through registration of new registrants and support to livelihoods. Focus on employment will encourage enhanced inclusive growth and thereby reduce poverty as envisaged in the **MTSF Priority 2: Economic transformation and job creation**.

The main purpose of the NCA is, to promote a fair and nondiscriminatory marketplace for access to consumer credit. The NCA provides for the promotion and advancement of the social and economic welfare of South Africans.

In a more indirect way, the NCR will also contribute to **MTSF Priority 1: A capable, ethical and developmental state** in that it will continue to ensure it is capacited with professional, ethical and meritocratic staff members; and that high levels of ethical behaviour and corporate governance are maintained.

The NCR will also contribute to **MTSF Priority 7: A better Africa and world**, in that it will continue to nurture and forge strategic relationships that have positive impacts for the African continent and the world. It already collaborates extensively and hosts delegations from various countries.

To achieve the desired results in relation to the above strategic focus, the NCR has implemented and is in the process of implementing the seven **dtic joint key performance indicators**, the two NCR institutional programmes, and various collaborative projects (in collaboration with other key stakeholders in the credit industry) as outlined in Part A of the NCR Strategic Plan 2022-2027 and further elaborated on in this annual performance plan.

Since the National State of Disaster declared in March 2020 by President Ramaphosa is still in force, the NCR will continue to adjust, whenever necessary, its strategies and policies, and strategic and annual performance plans to ensure alignment with government's response to the COVID-19 pandemic. The Annual Performance Plan also makes provision for the prioritisation of women and youth.

The NCR team is committed to implementing the Annual Performance Plan 2022-2025.

Acknowledgements and appreciation

I would like to thank the NCR executive team, management and personnel for their dedication and valuable contribution throughout the year. Their excellent work makes it possible for the NCR to achieve its mission and fulfil its mandate. My sincere appreciation also goes to the members of the Audit and Risk Management Committee for providing oversight. I would also like to express my gratitude to the Minister of Trade, Industry and Competition, Honourable Mr Ebrahim Patel; the dtic and the Portfolio Committee on Trade and Industry for their guidance and support.

Ms Nomsa Motshegare Chief Executive Officer National Credit Regulator

Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the National Credit Regulator under the guidance of Ms N Motshegare;
- Takes into account all the relevant policies, legislation and other mandates for which the National Credit Regulator is responsible; and
- Accurately reflects the Impact and Outcomes which the National Credit Regulator will endeavour to achieve over the period 2022/2023 – 2026/27 period.

Mr Lesiba Mashapa Company Secretary

Ms Lynette De Beer Chief Financial Officer

Adv Obed Tongoane Deputy Chief Executive Officer

Ms Nomsa Motshegare Chief Executive Officer

Approved by: **Mr Ebrahim Patel** Minister of Trade, Industry and Competition

PARTA OUR MANDATE

1. Constitutional Mandate

Regulation of the consumer credit market is one of the constitutional imperatives advocated by the Constitution of the Republic of South Africa Act, 1996.

Consumer protection can be realised through credit regulation, as provided for in Part A of Schedule 4 of the Constitution. This mandate and responsibility has been entrusted to the Department of Trade, Industry and Competition (the dtic).

In 2003, the dti finalised the Policy Framework for Consumer Credit and went on to develop the NCA "To promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry, and to protect consumers."

The National Credit Regulator was established by the National Credit Act which came into effect on 1 June 2007.

2. Legislative and policy mandates

In terms of the Public Finance Management Act, the NCR is a Schedule 3A public entity. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the National Credit Act (NCA).

The purpose of the NCA is to:

- Promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information;
- · Promote black economic empowerment and ownership within the consumer credit industry;
- Prohibit certain unfair credit and credit-marketing practices;
- Promote responsible credit-granting and use and for that purpose prohibit reckless credit-granting;
- · Provide for debt reorganisation in cases of over- indebtedness;
- Provide for registration of credit bureaus, credit providers, debt counsellors, payment distribution agents and alternative dispute resolution agents;
- Establish national norms and standards relating to consumer credit;
- · Promote a consistent enforcement framework relating to consumer credit;
- Establish the NCR and the National Consumer Tribunal (NCT); and
- Promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry.

The NCR enforces the provisions of the NCA by:

- Promoting informal resolution of disputes between consumers and credit providers, credit bureaus and/or debt counsellors;
- Receiving complaints regarding contraventions of the NCA;
- Monitoring the consumer credit market and industry to prevent, detect and/or prosecute contraventions;
- Investigating and evaluating alleged contraventions of the NCA;
- Issuing and enforcing compliance notices in respect of contraventions;
- Negotiating and concluding undertakings and consent orders as a means of resolving consumer complaints; and
- Referring matters to the NCT for adjudication.

The NCR is also mandated to undertake research on the nature and dynamics of the consumer credit market by:

- Implementing education and information measures to develop public awareness of the provisions of the NCA;
- Providing guidance to the credit market and industry;
- Monitoring socio-economic patterns of consumer credit activity in South Africa;
- Conducting reasonable periodic audits of registered credit providers in respect of historical data relative to credit applications and credit agreements;
- Monitoring trends in the consumer credit market and industry; and

• Reviewing legislation and regulations, and reporting to the Minister of Trade, Industry and Competition concerning matters related to consumer credit.

The NCR promotes public awareness around consumer credit matters by:

• Implementing education and information measures.

The NCR is also mandated to review legislation and report to the Minister of Trade, Industry and Competition on matters pertaining to consumer credit.

3. Institutional policies and strategies governing the five-year planning period

The NCR will continue its mission to support the social and economic advancement of South Africa, by regulating for a fair and non-discriminatory market for access to consumer credit; and by promoting responsible credit granting, use and effective redress.

The NCR plans to continue focusing on the following in the next five-year period:

Improved regulatory environment: a) collaborating with other key entities and stakeholders in order to have greater impact, reduce costs and effectively and efficiently deliver on the NCR mandate; and b) promoting economic growth through job creation, integration and transformation.

This includes carrying out consumer education/awareness campaigns and activities in order to improve consumer protection. Registration of new entrants to the consumer credit market will be improved and expedited. This should increase the participation of SMMEs, which facilitates the creation of job opportunities and ultimately contributes towards economic growth.

• Enforcement of the NCA: promoting a fair, responsible and accessible consumer credit market through the enforcement of the Act.

The NCR will deploy various tools to monitor and enforce the NCA with special attention on protecting consumers regarded as 'most vulnerable'. Emphasis will be on total cost of credit, reckless lending, compliance of credit bureaus in terms of data security, removal of adverse consumer credit information and paid-up judgements.

Relevant government plans: The above aligns with and supports the new Economic Reconstruction and Recovery Plan announced in October 2020. The Economic Reconstruction and Recovery Plan includes structural reforms, creating more jobs, bringing more young people into entrepreneurship and increasing economic inclusion.

It is also aligned with and supports the National Development Plan (NDP) 2030 goals of eliminating poverty and reducing inequality by 2030. It supports government's priorites, including the imperative of prioritising women and youth; MTSF Priority 2: Economic transformation and job creation (2019-24); and by implication the commitments made during the 2021 State of the Nation Address.

4. Relevant Court Rulings

The rulings and decisions of the high courts and the National Consumer Tribunal (NCT) are taken into account when crafting the NCR strategic plans. Below is a brief summary of recent court decisions and rulings that may have significant, ongoing impact on operations or service delivery obligations.

No.	Matter Name	Court & Case reference number	Legal issues and status
1.	MFSA vs the Minister of Trade and Industry and the NCR.	North Gauteng High Court Case No 59612/17	The MFSA applied to the High Court to review the cost of credit life insurance on the short-term loan on the basis that the premium is low. The parties are currently finalising a settlement which requires the NCR to review the regulations. Review of cost of credit life insurance has commenced.
2.	Bridge vs NCR	North Gauteng High Court Case No 87768/14	Bridge applied to the High Court for an order declaring sections 55 and 57 of the NCA which grants the NCR powers to issue compliance notices, unconstitutional. Application suspended pending finalisation of a liquidation application filed against Bridge. Liquidation against Bridge dismissed. Notice of set down for the High Court review matter awaited.
3.	Moneyline Financial Services (Pty) Ltd vs NCR	North Gauteng High Court Case No A440/16	Moneyline appealed the decision handed down by the NCT which ruled on 11 March 2016 that the NCR acted lawfully and procedurally correct when investigating Moneyline. The merits relate to allegations of reckless lending towards the recipients of social security grants by Moneyline. The Appeal was heard on 4 December 2018 and judgment was handed down on 30 August 2019 in terms of which the appeal was postponed and Moneyline was ordered to join the NCT as a Respon- dent before the appeal could proceed. Moneyline then launched an application for leave to appeal against this judgment, which applica- tion for leave to appeal was heard on 2 December 2019. Judgment was in favour of the NCR calling for the joinder of the NCT as a second respondent by Moneyline. Appeal date 27 October 2021. The parties settled the matter, and it was withdrawn.
4.	BMW vs NCR	National Consumer Tribunal NCT/93829/2017/56(1) A288/2021	Compliance Notice issued for "on the road" fees. BMW objected to the compliance notice by application to the NCT. NCT upheld the objection and set aside the compliance notice on 12 May 2021. NCR launched an appeal against the ruling under case A288/2021. Matter has been consolidated to be heard simultaneously with Mercedes Benz and VW which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.
5.	VW vs NCR	Tribunal Case No: NCT/94937/2017/56(1) Pretoria High Court: A104/19	Compliance notice issued for "on the road" fees. VW objected to the compliance notice. NCR opposed the application. Matter heard in February 2019 and judgement handed down in favour of NCR. VW appealed the decision to the High Court. Matter has been consolidated to be heard simultaneously with Mercedes Benz and BMW which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.
6.	Mercedes Benz vs NCR	Tribunal Case No: NCT/107156/2018/56(1) PTA High Court: A289/2021	Compliance Notice issued for "on the road" fees. Mercedes Benz objected to the compliance notice and lodged an application to the NCT. NCR opposed the application. Pleadings have closed and hearing date awaited. Judgment in favour of Mercedes Benz, setting aside the compliance notice. NCR launched an appeal to the High Court against the judgment. Matter has been consolidated to be heard simultaneously with BMW and VW FS which contain similar facts or features. Consolidated matters to be heard on 26 October 2022.
7.	A-Z Micro Loans vs NCR	Tribunal: NCT/78949/2017/57 (1) PTA High Court: A126/2019	Matter relates to Failure to conduct proper affordability assessments; Failure to retain records; Failure to provide pre-agreement state- ments in the prescribed form; Overcharging cost of credit i.e. interest. Condonation filed for leave to appeal. Request made to comply with judgment or proceed with appeal. Appeal deemed as dismissed as no further steps taken by the Respondent.
8.	CMR Group (Pty) Ltd (In Liquidation) vs NCR	Tribunal: NCT/119696/2018/57(1) PTA High Court Case number A351/2019 Special Leave to Appeal Case number 9420/2021	Failure to conduct affordability assessments; Extending reckless credit; Overcharging cost of credit i.e. interest; Prohibited charges. CMR lodged Special Leave to the Supreme Court of Appeal on 7 September 2021. Pleadings are still open and a notice of set down awaited.
9.	Dacqup Trading t/A ABC Financial Services	Tribunal: NCT/127619/2019/57(1) Appeal PTA High Court: A333/19 Supreme Court of Appeal: 382/2019	Failure to conduct affordability assessments; Extending reckless credit; Failure to retain records; Overcharging cost of credit i.e. interest; Overcharging cost of credit i.e. interest; Overcharging cost of credit i.e. interest; Unlawful advertising practices. Appeal was successful and the NCT's order was set aside, with costs. NCR appealed decision at the SCA. Matter pending before the SCA and still ongoing. Awaiting the SCA hearing date.

No.	Matter Name	Court & Case reference number	Legal issues and status
10.	Gauteng Motors vs NCR	Tribunal: NCT/78954/2017/140(1) Appeal PTA High Court: A173/19	Extending credit whilst not registered; Failure to conduct affordability assessments; Extending reckless credit; Failure to retain records; Over- charging cost of credit by charging prohibited fees; interest; Unlawful provisions; Unlawful enforcement. No further steps taken to prosecute appeal – appeal deemed lapsed.
11.	NCR vs Marylee Govender (DC)	Tribunal NCT/122481/2018/138(1)	Settlement agreement concluded with this DC by NCT order on 11 March 2019. DC only partially complied with consent order. NCR appointed a service provider to launch High Court application to compel compliance with the consent order. Letter of demand sent to respondent. Correspondence received from respondent's attorney objecting to demand. Proceedings to be instituted in High Court.
12.	Asia Lamara vs NCR	Tribunal: NCT/102200/2018/57(1) Appeal PTA High Court: A15/2020	Allowing unregistered agents to act as a Debt Counsellor; Failure to adhere to time periods; Failure to adhere to time periods; Failure to make a determination in prescribed period; Failure to refer matters timeously. NCR filed application for appeal to be declared lapsed and that the respondent be compelled to adhere to order in the alternative for certain relief in terms of NCT judgment to commence pending outcome of the appeal – hearing date was set for 15 November 2021 did not proceed on given date. Awaiting new set down date.
13.	Bongani Mnweba (DC) vs NCR	Tribunal: NCT/129993/2019/59(1) PTA High Court: 48175/2020	NCR successfully opposed matter in Tribunal. Mnweba instituted proceedings in High Court. NCR issued notice to compel Respondent to deliver its Heads of Argument for appeal to proceed. Application to compel filed for delivery of Heads of Argument. Application to compel to be heard on 23 March 2022.
14.	Option Deals vs NCR	Tribunal: NCT/128364/2019/140(1) Appeal PTA High Court A350/19	NCR referred Option Deals to the NCT for simulated transactions, in the form of credit agreements disguised as motor vehicle sale agreements coupled with lease agreements; granted reckless credit; overcharged costs of credit and did not follow prescribed collection procedures. Judgment granted in NCR's favour on 15 September 2019. On 12 November 2019 Option Deals appealed NCT order. Appeal dimissed with costs on 25 August 2020. Option Deals launched application for leave to appeal to the SCA. Awaiting setdown date.
15.	Xcelsior & another vs NCR	Tribunal: NCT/111201/2018/57(1) Review PTA High Court: 4350/2020	NCR launched cancellation application at the NCT based on reckless credit and costs of credit infringements. NCR applied for leave to amend/supplement founding papers which was granted on 12 September 2019. On 22 January 2020, Xcelsior launched review application in the PTA High Court, to set aside NCT's interlocutory judgment granting NCR leave to amend/supplement. Pleadings are closed and notification of set down date awaited. Hearing commenced 02 February 2022, await judgment. Judgment issued on 3 February 2022. NCT order to be reviewed and decided upon afresh by NCT. Cost order imposed against NCR. NCR to appeal judgment.
16.	Sewatumong vs NCR	Tribunal: NCT/122491/2018/165 Review PTA High Court: 7996/2020	NCR launched a cancellation application at NCT against Respondent for prohibited instruments, reckless credit and costs of credit infringements. Initially, the NCT granted judgment in NCR's favour on a default basis. Sewatumong filed a number of applications at the NCT, including a rescission application and a condonation application neither of which were granted. Sewatumong launched an internal appeal at the NCT. Shortly before the scheduled appeal hearing date, Sewatumong launched a review application in the High Court which sought to set aside a number of NCT decisions. Interim application filed by Sewatumong to amend and include further relief. NCR opposed interim application. Pleadings are being exchanged and parties considering further application for judge to intervene in proceedings. Administrative review proceedings commenced, with Judge intervening on 19 April 2022.

E

PART B OUR STRATEGIC FOCUS

Vision

The vision of the National Credit Regulator is:

"To promote a South African consumer credit market that is fair, transparent, accessible and dynamic."



"To support the social and economic advancement of South Africa by:

- Regulating for a fair and non-discriminatory market for access to consumer credit
- Promoting responsible credit-granting use and effective redress."

Values

The following four values inform everything that the National Credit Regulator does:

Service excellence:

We strive for service excellence that exceeds the expectations of all stakeholders.

Integrity:

We are committed to honesty and integrity without compromise.

Empowerment:

We strive for empowerment in the consumer credit market, and we are also committed to employee empowerment.

Good corporate governance: We strive to be a model of good corporate governance at all times.

4. Situational Analysis

A high-level assessment was undertaken to identify the most significant developments in the external and internal environment that are likely to influence or impact the NCR over the next few years.

The outbreak of the COVID-19 pandemic and the declaration of a National State of Disaster impact the NCR and the implementation of its mandate. First, a brief synopsis of the state of the South African credit market is provided. An analysis of the internal and external factors impacting on the NCR is then provided.

4.1 State of the credit market

The total value of new credit extended to South African consumers as at the end of September 2021 was R159.12 billion. This represents an increase of R12.25 billion (8.34%) quarter-on-quarter and an increase of R29.68 billion (22.93%) year-on-year.

Mortgages' share of new credit granted increased from 38.05% in September 2020 to 41.57% in September 2021. Secured credit's share, which is dominated by vehicle finance, decreased from 33.41% in September 2020 to 28.56% in September 2021. Unsecured credit share decreased from 15.68% to 14.23% over the same period.

As at September 2021, the total outstanding consumer credit balances (or gross debtors' book) was R2.08 trillion, representing a quarter-on-quarter growth of 1.16% and a year-on-year growth of 4.98%.

The trends for outstanding balances for the quarter ended September 2021 were as follows:

- Mortgages debtors book increased by R24.64 billion (2.32%) quarter-on-quarter and by R92.30 billion (9.29%) year-onyear.
- Secured credit debtors book increased by R3.20 billion (0.70%) quarter-on-quarter and by R13.22 billion (2.94%) yearon-year.
- Credit facilities debtors book decreased by R679.44 million (0.26%) quarter-on-quarter and increased by R4.35 billion (1.67%) year-on-year.
- Unsecured credit debtors book decreased by R3.40 billion (1.62%) quarter-on-quarter and by R11.79 billion (5.40%) year-on-year.
- Credit bureaus held records for 26.42 million credit-active consumers, which showed an increase of 0.78% when compared to the 26.22 million in the previous quarter. Consumers classified in good standing increased by 104,713 to 16.25 million consumers. This amounts to 61.51% of the total number of credit-active consumers. The number of credit-active accounts decreased from 85.08 million to 85.07 million in the quarter ended September 2021. The number of impaired accounts has increased from 19.86 million (23.34%) to 20.16 million (23.70%) in September 2021, an increase of 298,356 quarter-on-quarter and a decrease of 3,279,499 year-on-year.

4.2 External environment analysis

The key issues in the environment in which the institution carries out its work, are summarised below. These issues impact on the performance of policy and regulatory institutions such as the NCR:

a) COVID-19 pandemic

The COVID-19 pandemic is the most significant issue, external to the NCR, that continues to impact the whole world, including the local environment in which the NCR operates and the way the NCR operates.

There is no certainty when the pandemic will end, or whether the number of infections will surge again in yet another socalled wave requiring extreme measures such as lockdowns and curfews (both local and international) that have negative economic and social consequences.

The pandemic has already exacerbated South Africa's challenges of low economic performance, low growth, high unemployment, failing state-owned enterprises and downgrades by credit rating agencies.

The economy in South Africa is forecast to contract by 7.8% in total in 2021. The impact of COVID-19, and lockdown levels which had to be introduced as measures to protect public health resulted in sharp declines in consumption, investment and

exports. It is expected that GDP growth will recover to 3.3% in 2021, and to average 2.1% over the medium term. As a result, expectations are that the economy will only recover to pre-COVID-19 levels in 2024. (Source: 2020 Medium Term Budget Policy Statement – Economic Outlook)

b) Socio-economic conditions

Whether socio-economic conditions are positive or negative, they have far-reaching implications that the NCR needs to consider. Real economic activity in South Africa in Q2 of 2021 was still lower than the level in Q1 of 2020 (at the onset of the COVID-19 pandemic), according to the Reserve Bank (Source: Quarterly Bulletin, No 301, 28 September 2021).

The Reserve Bank says post-lockdown recovery in employment has so far lagged the recovery in economic activity. The number of unemployed persons increased notably to 7.8 million in Q2 of 2021. As a result, the official unemployment rate increased further to a new record high of 34.4% in Q2 of 2021. (The previous high was 32.6% in Q1 of 2021, according to Stats SA).

With the number of discouraged work seekers increasing by 3.3 million, the expanded unemployment rate – which also includes those who did not search for work due to other reasons – increased to 44.4% over the same period.

The ratio of household debt to disposable income stands at 66.7% (Q2 of 2021 data). Households' cost of servicing debt relative to nominal disposable income stands at 7.5% in Q2 of 2021.

Against this difficult socio-economic scenario, the pressure on the average consumer seems to continue increasing. The NCR's statistical overview of the South African consumer credit market in the 2020/21 financial year, shows that many consumers – out of desperation to put food on the table – applied for credit despite knowing they did not meet credit providers' requirements.

According to the World Bank, Sub-Saharan Africa is set to rebound, but the region remains vulnerable given the low rates of vaccination, protracted economic damage and slow pace of recovery. (Source: The World Bank – Press Release, 06.10.2021: Sub-Saharan Africa Exits Recession in 2021 but Recovery Still Vulnerable).

Although it will take time to get back to pre-pandemic output levels President Cyril Ramaphosa says progress has already been made in implementing the Economic Reconstruction and Recovery Plan. (Source: SA News - Progress made in implementing economic recovery plan, June 11, 2021).

c) Policy developments and legislative changes

Changes to the regulatory framework impact the NCR and these include: reduction of interest rates, capping of credit life insurance premiums, ongoing removal of paid up judgments and adverse listings, removal of registration thresholds for credit providers, creation of a credit information reporting framework and formal registration of payment distribution agents and alternative dispute resolution agents.

The National Credit Amendment Act, No. 7 of 2019 (NCAA) was passed by the National Assembly and signed into law by the President in August 2019. It provides debt intervention for over-indebted consumers who cannot afford or do not qualify for existing debt relief measures. The NCR awaits further guidance from the dtic in terms of implementation of the NCAA.

d) Digitisation and increasing complexity

The credit market continues evolving due to the technology that drives it. The on-line lending, including debt relief loans and the impact of the COVID-19 pandemic has brought new regulatory challenges.

The NCR has to continue monitoring new credit products and their marketing by credit providers, in order to protect consumers against debt traps, especially the most vulnerable groups (women, the elderly, youth and people with disabilities).

e) Fourth Industrial Revolution (4IR)

Digitisation and 4IR brings opportunities (faster processing of information and levelling of the playing field), but also many challenges and risks (cybercrime and protection of personal information) that can affect the work of the NCR.

As technology advances, the pace of (the resultant) change is faster and it becomes imperative for all organisations and individuals to upgrade knowledge, skills, attitudes, efficiencies, systems processes and budget.

f) Prioritising women and youth

The national imperative of prioritising women, youth and people with disabilities means that the NCR must be sensitive to and respond to issues as they arise. This includes procurement, recruitment as well as its education and awareness efforts; access to funding and to credit; and the matter of maintenance orders. The NCR is presently collaborating with the Department of Women, Youth and Persons with Disabilities to find ways of enforcing and listing maintenance orders at the registered credit bureaus, made in favour of minor children.

A study has concluded that the voices of persons with disabilities need to be heard to ensure that their human rights are not overlooked or excluded during future pandemic provisioning. (Source: https://www.sanews.gov.za/south-africa/voices-disabled-persons-need-be-prioritised-during-pandemic, 11 November 2021)

The research study done from November 2020 to March 2021 on the impact of COVID-19 on persons with disabilities in South Africa was conducted by the United Nations Office of the High Commissioner for Human Rights Regional Office for Southern Africa in partnership with the Department of Women, Youth and Persons with Disabilities.

The findings from the study showed that while there were positive experiences during the defined period, the rights of many persons with disabilities were denied or limited. These include the rights to healthcare, communication, education, safety and security, and employment.

"In order to provide relevant and suitable accommodations and healthcare, persons with disabilities and their representative organisations need to be consulted and involved in all plans and policies," the report read. The study recommended that government must ensure access to basic services, information and communication, and access to identified screening and testing sites, quarantine and isolation sites for all persons with disabilities during the national state of disaster.

g) Strategic relationships

Engagement and collaboration with a wide range of local and international industry players and other bodies (private and corporate) is essential to the NCR's effectiveness and reach. The NCR established the Credit Industry Forum, which serves as a platform for the NCR, and industry to engage and reach agreement on industry issues.

The NCR is a member of the African Consumer Protection Dialogue, which brings together regulators from all over the African continent to discuss consumer protection issues and share information.

The NCR also holds regular meetings with regulators, industry associations and registrants. MOAs have been entered into with FSCA, PA and SARB in terms of the Financial Sector Regulatory Act. The NCR has also entered into an MOU with the above regulators including FIC, regarding the establishment of the National Register of Credit Agreements.

The NCR concluded an MOU with the Credit Ombud to provide consumers with alternative avenues for submitting credit related complaints, thus improving service delivery to consumers.

An MOU is currently being negotiated with the Namibian Regulator, NAMFISA, for regulatory information sharing, capacity building and to open market opportunities to registrants.

The NCR is a member of the World Bank's International Committee on Credit Reporting (ICCR) and participates in meetings and webinars.

4.3 Internal environment analysis

Internal institutional factors that influence the NCR's ability to deliver on its mandate are summarised below:

a) Financial resources

Adequate funding is a factor that the NCR always needs to consider, especially due to the impact of COVID-19 pandemic and the government's response to it. Due to cost-cutting measures and improved efficiencies, the NCR was able to deliver against its Strategic Plan so far.

The NCR's budget allocation has been reduced for the next three years. The regulator needs to continue finding innovative ways to augment the budget, and also new ways of working smarter in order to be able to execute the legislative mandate.

b) Structure, systems and processes

Digitisation: In order to improve operational efficiencies, the NCR continues automating its internal processes. Some of the important projects are the automation of the referral of cases to the NCT and the compliance regime for registrants.

With the 4IR upon us, it is essential to advance our ICT to enable our deliverables

- VPN and Firewall set up: This security feature will improve system security and implement a permanent remote working solution.
- Infrastructure and Server upgrade: This will optimise systems and applications' performance and response time as well as replace servers that are out of warranty.
- Exchange server (email) upgrade and services migration to the new servers: Exchange servers upgraded to the most current supported version and migration to the new servers, pending the completion of the migration of mailboxes and services to the upgraded Exchange.
- Enhanced operational systems: Various internal systems will be overhauled to create an efficient and integrated operational system to improve operational efficiency and responsiveness within NCR.

It remains imperative to scan the environment for developments and to continuously update and innovate our systems and processes and ensure that a robust structure underpins it all.

The COVID-19 pandemic adds a new dimension to the need to digitise, especially in times of lockdown /reduced social contact. Educational workshops will continue to be held online in the format of webinars and stakeholder engagements will also continue to be held online using a secure business communication platform. Desktop compliance monitoring has largely replaced on-site monitoring of registrants.

c) Human resources

Having people with the right skills on board is an important factor that determines the success of the NCR. To increase capacity and boost staff complement, we will comtinue to recruit interns to assist with, in particular, Information Communication Technology.

Retention of skills is a major priority, however, certain key positions had to be frozen due to funding challenges.

d) Occupational health and safety

NCR is committed to making its working environment safe for its employees, especially during the COVID-19 pandemic. Some of the measures implemented include provision of sanitisers, facial masks, personal protective equipment, body temperature monitoring, social distancing observed, regular disinfection and provision of a sickroom.

The NCR has had to provide remote working tools for employees, procure PPEs and prepared the working environment to be compliant with COVID-19 protocols.

e) Knowledge intensity

Operating in a knowledge economy and digitised workplace means the NCR has to provide its valued staff with opportunities for training and participation in conferences and similar industry events, albeit online.

g) Compliance with the Broad-based Black Economic Empowerment Act (No. 53 of 2003), as amended

Compliance with BBBEE legislation and best practice is vital. The NCR issues tenders based on the preferential procurement framework and advertises new tenders on the e-tender portal and the website. Only suppliers who are registered on the Central Supplier Database (CSD) are utilised.

The National Credit Regulator complies with the Public Finance Management Act (PFMA) and the 2009 King IV Code of Governance Principles for South Africa (King IV Code) in as far as the Code can be applied to the NCR. In terms of the Department of Trade and Industry's Code of Good Practice on B-BBEE (as gazetted in October 2013), the NCR is rated as a B-BBEE Level contributor as per the certificate below. The Executive Authority, the Minister of Trade, Industry and Competition and Parliament ensures that the NCR embraces good corporate governance practices.



h) Prioritising women and youth

The NCR prioritises women and youth in its procurement, recruitment, leadership advancement and training and education. Its workforce is youthful and predominantly (60% in 2020/21 FY). We will continue prioritising women and youth.

PART C MEASURING OUR PERFORMANCE

96

1 Institutional Performance Information

1.1 Impact statement 1

Impact statement Improved regulatory environment, which promotes economic growth through job creation, integration and transformation.

1.1.1 Measuring our outcomes

Outcome	Outcome Indicator	Baseline	Five year target
Improved consumer protection through education and awareness of the NCA.	Number of consumer education and awareness campaigns and activities conducted on consumer rights.	500 consumer education and awareness campaigns and activities	3 400 consumer education and awareness campaigns and activities.
	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices.	120 consumer education and awareness campaigns and activities	650 consumer education and awareness campaigns and activities
Increased efficiency in registration of persons and entities to facilitate creation of job opportunities.	% of new entrants (persons and entities) registered within a number of days of receipt of signed proposed conditions and payment of registration fees.	97% of applications registered within 9 business days of receipt of signed proposed conditions and payment of registration fees.	99% of applications registered within 2 business days of receipt of signed proposed conditions and payment of registration fees.

1.1.2 Explanation of Planned Performance over the Five Year Planning Period

- a) To improve education awareness regarding deceptive and unfair practices and consumer rights.
- b) Efficient registration of new entrants in the consumer credit market to increase the participation of SMMEs which would facilitate the creation of job opportunities which ultimately contributes towards economic growth. This in turn contributes to achieving the NDP priorities; the MTSF; the priorities relating to women and youth; provincial priorities and the NCR's mandate. It also aligns with and supports the new Economic Reconstruction and Recovery Plan announced in October 2020.
- c) In order to achieve these targets, a well-functioning infrastructure and adequate funding is required

1.2 Impact Statement 2

Impact statement A fair, responsible and accessible consumer credit market promoted.

1.2.1 Measuring our Outcomes

Outcome	Outcome Indicator	Baseline	Five year target
Improved compliance through enforcement of the NCA.	Number of investigations on credit providers for compliance with regulations pertaining to the total cost of credit.	420 credit providers	2 000 Investigations.
	Number of investigations on credit providers for compliance with regulations pertaining to reckless lending.	380 credit providers	1 500 Investigations
	Number of investigations on hosting credit bureaus for compliance with the NCA.	3 credit bureaus	70 Investigations

1.2.2 Explanation of Planned Performance over the Five Year Planning Period

- a) Promotion of affordable levels of credit granting, accurate consumer credit information, decreased levels of reckless lending, unfair practices and enforcement of the Act will contribute towards improved consumer protection and economic growth. This in turn contributes to achieving the NDP priorities; the MTSF; the priorities relating to women and youth; provincial priorities and the NCR's mandate. It also aligns with and supports the new Economic Reconstruction and Recovery Plan announced in October 2020.
- b) In order to achieve these targets, the NCR requires a well-functioning infrastructure, adequate funding and capacity to enhance its efficiency and effectiveness.

2 Key Risks and Mitigations

The table below provides a summary of the NCR's key risks, as well as existing controls to mitigate the risks.

Outcomes	Key risk	If as existing controls to mitigate the risks. Risk mitigation
 Improved consumer protection through education and awareness of the NCA. Increased efficiency in registration of persons and entities to facilitate creation of job opportunities. Improved compliance through enforcement of the NCA. 	 Funding Insufficient funding from the National Treasury may lead to a shortage of funds, resulting in the NCR's inability to meet long and short term financial commitments and execution of strategic objectives; Failure to collect renewal fees from registrants. 	 New registration thresholds for credit providers are in place; Update of the Portfolio Committee as and when required; Prepared & submitted annual cash flow projections to the dtic; Invoicing of all registrants a month before fees are due; Uncapping of branch fees; Registration certificates & window decals issued annually upon renewal & not once off Lapsing policy implemented; Budget mid-term reviews & reprioritisation of funds; Approval of annual budget by EXCO; Annual approval of the procurement plan by EXCO; Monthly Departmental variance reports to compare actual vs. budget; Implementation of imposition of penalties for late renewals automated on GP; ICT collaboration projects with NCT in place (MOU signed between NCR & NCT)
	 Information Technology Innovations and / advancements in the external technological environment, may threaten NCR's current business model and the ability to adequately and efficiently service clients 	 Assessment of the new IT infrastructure and implementation to date; Off-site storage of backups; Internal auditors ensure assurance role; NCR COBIT/King IV Governance Implementation plan documented; Network infrastructure improved; Additional servers acquired e.g. SA, Operational system; Network monitoring tool has been acquired; Network firewall and antivirus; ICT disaster Recovery Plan and Policy in place; ICT Steering, ICT Project & ICT operational committee in place; Alignment of ICT governance framework; Upgraded Great Plains system (Finance); ICT expert as a member of ARMC appointed; Additional ICT skills recruited; Obtained approval from NT to deviate from SITA process due to delays; Functional call centre system; Jnr Developer appointed; New additional laptops and desktops acquired; Enhanced website; Increased ICT capacity; Functional disaster recovery site.
	Fraud and Corruption Internal Fraud Fraud and Corruption Internal Fraud NCR staff members fraudulently charging consumers fees for services rendered; Kickbacks to staff by registrants e.g. inspectors, compliance monitoring officers, bribes offered to supply chain officials & other NCR employees, etc; Falsified employment credentials; Abuse of leave by employees; Theft of fixed assets, including computers and other IT related assets; Unauthorised private use of NCR assets; Misrepresentation of suspense accounts; Unauthorised payroll transactions, Conflict of interest. Manipulation of RFQ/tender documents. External Fraud Forgery of NCR registration certificates by unregistered credit providers; Forgery of NCR banking details by fraudsters.	 Consumer education activities on services offered by NCR are conducted; Pre-employment screening; Leave audit and updates conducted monthly and sent to management; Asset verification (incluiding IT equipment) conducted quarterly; Physical security controls; Declaration of interest by all employees conducted/ SCM officials; Suspense account reviewed monthly; Consequence management; Segregation of duties in the payroll processing/release; Fraud awareness activities conducted quarterly (by departments as well); Tip off anonymous hotline; Qualifications and skills audit conducted annually (new employees); Circular/Notice issued to registrants regarding fraudulent letters & to confirm the banking details of NCR.

Outcomes	Key risk	Risk mitigation
 Improved consumer protection through education and awareness of the NCA. Increased efficiency in registration of persons and entities to facilitate creation of job opportunities. Improved compliance through enforcement of the NCA. 	COVID-19 Impact of COVID-19 on NCR's operations: the health NCR employees and funding.	 Provision of sanitizers, facial masks, personal protective equipment, body temperature monitoring, social distancing observed, regular disenfection and provision of sickroom; Provision of remote working tools (43 laptops delivered & allocated to staff); COVID-19 Policy in place; Remote working policy in place; Provision of mental health & psychological support though Careways; Regular reminders of compliance to Regulations
	Business Continuity Management In the event of a major business disruption, including the impact of Covid-19; the NCR may not be able to continue with the business due to lack of BCP resulting in non-achieve- ment of business objectives	 Risk assessment on security (physical and ICT) are regularly performed; Maintenance plan in place for office equipment and building; ICT disaster recovery and BCM Plans are in place; *Alignment to Covid-19 Regulations; Implemented the BCP in terms of people working remotely where possible; Emergency preparedness & response plan in place; Emergency exit, staircase & fire extinguishers; Information security policy in place; Insurance cover in place; Health & safety committee/disaster recovery team established; CCTV survellience, electric fence, perimeter lighting, access control & alarm system are in place; Fire drills are conducted; Drainage system in place/proper signage in place (OHSA); Approved disaster recovery plan; Encryption of new laptops; First aid kits available; Server monitoring & alert system which will notify if the server triggers fire/smoke, excessive humidity, water flooding, intrusion detection, server power failure, temperature (overheating) implemented; NCR has a generator in place to power the whole NCR; Simulation exercise to test the functionality of generator was performed; Introduction of new ICT technology; Adherence to COVID-19 protocols; BCM training conducted; ICT disaster recovery plan - Functional disaster recovery site; Occupational Health and Safety Practitioner appointed;

PART D TECHNICAL INDICATOR DESCRIPTION (TIDs)

Technical indicator descriptions (TIDs) are given for each outcome indicator in the format stipulated in the Guidelines for the Implementation of the Revised Framework for Strategic Plans and Annual Performance Plans.

Items	Guide
Indicator title	Number of consumer education and awareness campaigns and activities conducted on consumer rights.
Definition	A measuring tool relating to the consumer education awareness campaigns and activities conducted on consumer rights.
Source of data	Consumer education and awareness reports (Media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Method of calculation or assessment	Quantitative – Simple count of consumer education and awareness campaigns and activities conducted
Assumptions	 Cooperation by stakeholders and consumers in the campaigns. Increased capacity The absence of COVID-19
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	To increase the level of public awareness on consumer rights.
Indicator responsibility	Manager: Education and Communication

Items	Guide
Indicator title	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices.
Definition	A measuring tool relating to the consumer education awareness campaigns and activities conducted on deceptive and unfair credit practices.
Source of data	Consumer education and awareness reports (Media briefs, clip, email correspondence, link to podcast/interview, activity forms, attendance register, meeting screenshots, minutes, notes, etc)
Method of calculation or assessment	Quantitative – Simple count of consumer education and awareness campaigns and activities conducted
Assumptions	Cooperation by stakeholders and consumers in the campaigns. Increased capacity The absence of COVID-19
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	To increase the level of public awareness on deceptive and unfair credit practices.
Indicator responsibility	Manager: Education and Communication

Items	Guide
Indicator title	% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.
Definition	Measuring tool to improve efficiency in the registration process of persons and entities.
Source of data	 Registration certificates issued Number of applications registered Reports from the registration's ICT system.
Method of calculation or assessment	Quantitative Total number of applications registered within 2 business days of receipt of signed proposed conditions and payment of registration feesX 100 Total number of applications registered = Total percentage (%) of new applications registered
Assumptions	An improved and efficient ICT system and/or increased capacity.
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	To improve efficiencies in registration which may lead the establishment of new SMMEs and creation of jobs.
Indicator responsibility	Manager: Registrations

Items	Guide
Indicator title	Number of investigations on credit providers for compliance with regulations pertaining to the total cost of credit.
Definition	A measuring tool relating to credit providers for compliance with regulations pertaining to the total cost of credit.
Source of data	Compliance monitoring, investigation reports, audit reports and complaints evaluation reports.
Method of calculation or assessment	Quantitative-simple count of compliant credit providers.
Assumptions	Increased capacity The absence of COVID-19
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	Improved compliance with the Act and its regulations by credit providers.
Indicator responsibility	Managers: Investigations & Enforcement, Credit Providers Compliance & Complaints

Items	Guide
Indicator title	Number of investigations on credit providers for compliance with regulations pertaining to reckless lending.
Definition	A measuring tool relating to credit providers for compliance with regulations pertaining to reckless lending.
Source of data	Compliance monitoring, investigation reports, audit reports and complaints evaluation reports
Method of calculation or assessment	Quantitative - simple count of compliant credit providers.
Assumptions	Increased capacity The absence of COVID-19
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	Improved compliance with the Act and its regulations by credit providers.
Indicator responsibility	Managers: Investigations & Enforcement, Credit Providers Compliance & Complaints

Items	Guide
Indicator title	Number of investigations on hosting credit bureaus for compliance with the Act.
Definition	A measuring tool relating to credit bureaus for compliance with the Act.
Source of data	 Compliance monitoring and Investigation reports; Audit reports.
Method of calculation or assessment	Quantitative - Simple count of compliant credit bureaus.
Assumptions	Increased capacity
Disaggregation of beneficiaries (where applicable)	 Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	 Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	Improved compliance with the Act and its regulations by credit bureaus.
Indicator responsibility	Managers: Credit Bureau Compliance

Annexure A: Budget Allocation

The following table provides a summary of the NCR's projected financial plan for the five-year period.

	Year 2022-23	Year 2023-24	Year 2024-25	Year 2025-26	Year 2026-27
Operational expenditure					
Personnel Cost	R93 353 824	R96 154 439	R99 039 072	R103 991 026	R109 190 577
Administration Cost	R27 238 380	R28 600 299	R30 030 314	R30 931 224	R31 859 160
Professional/Programme Cost	R21 138 126	R21 509 898	R22 585 393	R23 262 954	R23 960 843
Total operational expenditure	R141 731 130	R146 264 636	R151 654 779	R158 185 204	R165 010 580
Capital Expenditional					
Fixed assests	R4 500 000	R4 025 000	R5 886 250	R3 000 000	R2 194 623
ICT operational system	R1 300 000	R1 365 000	R1 433 250	R1 500 000	R1 000 000
Total capital expenditure	R5 800 000	R5 390 000	R7 319 500	R4 500 000	R3 194 623
Total expenditure	R147 531 130	R151 654 636	R158 974 279	R162 685 204	R168 205 203
Income					
Fees from registrants	R58 500 000	R61 425 000	R64 496 250	R67 721 062	R71 107 115
Transfers from the DTI	R83 241 000	R84 060 000	R87 835 000	R88 000 000	R90 000 000
Interest	R2 662 538	R2 795 664	R3 007 659	R3 158 042	R3 315 944
Other income	R3 127 592	R3 373 972	R3 635 370	R3 806 100	R3 782 144
Total income	R147 531 130	R151 654 636	R158 974 279	R162 685 204	R168 205 203

NOTES

NOTES			

NOTES

Company Contact: 127 - 15th Road Randjespark Midrand

NCR Reception: 011 554 2700 NCR Call Centre: 0860 627 627 / 0860 NCR NCR

If you wish to lodge a complaint or an enquiry, please send your email to complaints@ncr.org.za



www.ncr.org.za

RP No: XX/XXXX ISBN: XXX-X-XXX-XXXX-X