

STRATEGIC PLAN FOR 2020 – 2025

ANNUAL PERFORMANCE PLAN FOR 2020 – 2023

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REPUBLIC OF SOUTH AFRICA

NCR
National Credit Regulator

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"Never tire of doing what's right"

2 Thessalonians 3:13

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Abbreviations & Acronyms

AA	Accounting Authority	ICCR	International Committee on Credit Reporting
ACFTA	African Continental Free Trade Area	ICT	Information and Communication Technology
ADRA	Alternative Dispute Resolution Agent	MFSA	Microfinance South Africa
AGSA	Auditor-General of South Africa	MoU	Memorandum of Understanding
ARMC	Audit and Risk Management Committee	NCA	National Credit Act
AVE	Advertising Value Equivalence	NCAA	National Credit Amendment Act
BBBEE	Broad-Based Black Economic Empowerment	NCC	National Consumer Commission
CBA	Credit Bureau Association	NCR	National Credit Regulator
CBDA	Cooperative Banks Development 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 Scheme
CEO	Chief Executive Officer	PA	Prudential Authority
CFO	Chief Financial Officer	PDA	Payment Distribution Agent
CIF	Credit Industry Forum	PFMA	Public Finance Management Act
CIPC	Companies and Intellectual Property Commission	SACRRA	South African Credit and Risk Reporting Association
COO	Chief Operations Officer	SAPS	South African Police Service
COTII	Council of Trade and Industry Institutions	SARB	South African Reserve Bank
dti	Department of Trade and Industry	SADC	Southern African Development Community
dtic	Department of Trade, Industry and Competition	SCM	Supply Chain Management
DPSA	Department of Public Service and Administration	SDIP	Service Delivery Improvement Plan
EE	Employment Equity	SEDA	Small Enterprise Development Agency
EXCO	Executive Committee	SEFA	Small Enterprise Finance Agency
FIC	Financial Intelligence Centre	SMME	Small Medium and Micro Enterprises
FSCA	Financial Sector Conduct Authority	SMS	Short Message Service
GDP	Gross Domestic Product	UIF	Unemployment Insurance Fund
		4IR	Fourth Industrial Revolution

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

Strategic Plan

2020 – 2025

Contents

Executive Authority Statement.....	6
Accounting Officer Statement	7
Official Sign-Off.....	10
PART A: OUR MANDATE	11
1. Constitutional Mandate.....	12
2. Legislative and Policy Mandates	12
3. Institutional Policies and Strategies over the Five-Year Planning Period.....	13
4. Recent Court Rulings	13
PART B: OUR STRATEGIC FOCUS	17
1. Vision	18
2. Mission	18
3. Values	18
4. Situational Analysis	18
5. External Environment Analysis.....	19
6. Internal Environment Analysis.....	19
PART C: MEASURING OUR PERFORMANCE	22
1. Performance Information.....	23
2. Key Risks and Mitigations.....	24
PART D: TECHNICAL INDICATOR DESCRIPTION	25
ANNEXURE A: Budget Allocation	30



Mr Ebrahim Patel

Minister Responsible for Trade, Industry and Competition

Executive Authority Statement

THE PUBLIC FINANCE MANAGEMENT ACT REQUIRES THAT EVERY PUBLIC ENTITY PREPARES A STRATEGIC PLAN SETTING OUT THE OVERALL STRATEGY FOR THE 5 YEAR PERIOD COVERING THE STATE'S MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF). EVERY YEAR, AN ANNUAL PERFORMANCE PLAN (APP) IS PREPARED, WHICH CONVERTS THE OVERALL STRATEGY TO KEY ANNUAL TARGETS. THESE DOCUMENTS ARE THEN PROVIDED FOR APPROVAL TO THE EXECUTIVE AUTHORITY AND BUDGETS ARE ALIGNED TO THESE PLANS.

The **National Credit Regulator (NCR)** has prepared its **Strategic Plan 2020-2025**, which I now submit to Parliament, as required by the legislation.

This is the first **Strategic Plan** prepared in the 6th Administration by the **NCR**. I have requested that all entity Strategic Plans and Annual Performance Plans be aligned to the MTSF, which incorporates the work to develop and implement National Sector Masterplans, as well as the trade reforms, investment and transformation work of the Department.

Once the revised MTSF has been signed off, we will review the Strategic Plan and Annual Performance Plan of the entity and

align it accordingly. The Strategic Plan and Annual Performance Plan may further need to be aligned to Government's response to the COVID-19 pandemic, both during the period of the national disaster declared by President Ramaphosa, and thereafter as we adapt to the new economic reality. Should adjustments be made, a revised Plan will be submitted to Parliament.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', with a long horizontal stroke extending to the right.

Mr Ebrahim Patel

Minister Responsible for Trade, Industry and Competition



Ms Nomsa Motshegare
Accounting Authority and Officer

Accounting Officer Statement

OVERVIEW OF THE NCR AND ITS VISION

The NCR's mandate entails promoting a fair and non-discriminatory 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).

The NCR is driven by the imperatives of advancing the social and economic welfare of South Africans, and advancing black economic empowerment and ownership within 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 and its Regulations make provision for all credit providers to be registered with the NCR and the threshold was reduced to R1,00;
- Monitoring and enforcement programmes in relation to collection and sale of prescribed debts and credit providers to be encouraged to refrain from doing this;
- Monitoring compliance with the Affordability Assessment Regulations;
- Monitoring compliance with the Regulations regarding the cost of credit and credit life insurance; and
- Improved publication on the work undertaken by the NCR and its success stories.

These focus areas were aligned to the strategic objectives and core themes of the dti. 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 2018/19 financial year include the following:

- **Good corporate governance:** As a result of the prudent financial management and corporate governance practised, the NCR achieved a clean audit for the 2018/19 financial year (and also for 2014/15, 2015/16, 2017/18). We submitted the Three-year Annual Performance Plan for 2018/19 – 2020/21, the Five-year Strategy Plan for 2018/19 – 2022/23 and the Annual Report 2018/19 in line with Parliamentary timelines. These clean audits were coupled with achievements/activities that made a positive impact in the credit industry.
- **Consumer education and community outreach:** The NCR conducted 513 consumer education activities, including community outreach programmes (imbizos) in partnership with Local Tribal Authorities in various provinces. A total of 69 stakeholder engagements, 394 radio interviews and 29 TV interviews were held.

A total of 57 high schools benefitted from the NCR and CBA Schools Financial Literacy programme in 2018/19. These are in Gauteng, KwaZulu-Natal and Western Cape Provinces. The main topics discussed included the role of the NCR, over-indebtedness, access to credit, cost of credit and credit information. The programme was delivered in an industrial theatre format.

- **Collaboration and cooperation:** The NCR participated in quarterly 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 national consumer protection agencies which include the National Consumer Commission (NCC), NCR and National Consumer Tribunal (NCT) established a joint forum which will oversee the design, development and deployment of information and communications technology solutions to effectively meet their goals and objectives in terms of their mandates.

- **International recognition:**
 - **African Consumer Protection Dialogue:** The NCR as a member of the Consumer Protection Dialogue, facilitated by the Federal Trade Commission of the United States, continued to share information on the consumer credit market, especially the trends and developments in the credit industry, consumer education and trends in enforcement. It is through these engagements that the eSwatini Financial Services Regulatory Authority was established in terms of the Consumer Credit Act which is modelled around our NCA.

- International Committee on Credit Reporting (ICCR):

The NCR is a member of the ICCR, a global standard setting body for credit reporting. The ICCR meets regularly in different countries. The NCR is collaborating with ICCR and the World Bank on the use of alternative data and automation in credit reporting.

- **Enforcement:** The NCR defended and continues to defend the rights of consumers in various court cases. In the case against MicroFinance South Africa, the Supreme Court of Appeal found in favour of the dti and the NCR, reaffirming that interest rates on short-term loans cannot exceed 5% a month on the first loan and 3% a month on subsequent loans in a calendar year.

The NCR referred Shoprite to the NCT for allegations of reckless lending and mis-selling credit life insurance. The NCT ruled in favour of the NCR and found Shoprite guilty of reckless lending. A fine of R1 000 000 was imposed. Shoprite appealed the decision and the appeal was dismissed with costs.

The NCR brought an application for a declaratory order against Standard Bank regarding the application of common law principle of set off in credit agreements. Judgment was handed in favour of the NCR. The judgment abolished this principle in so far as it relates to credit agreements governed by the NCA.

The NCR referred Nedbank to the NCT for allegations of reckless lending relating to the so called “699 Satinsky” car sales scheme. The matter was resolved through a settlement agreement and redress was provided to consumers.

A total of 61 new matters were referred to NCT during 2018/19.

- NCR also conducted raids jointly with SAPS on small, rural credit providers (especially those that illegally retain consumers’ personal documents). The raids were conducted in six provinces. Arrests were made, ID books and bank cards seized and criminal cases opened. Through the raids conducted, consumers personal documents were returned to them.
- **Registration:** NCR focused on registering small credit providers (microlenders). Registration campaigns in Mpumalanga, Free State and North West resulted in a substantial increase in registration. About 1 500 never-registered-before credit providers registered with the NCR in 2018/19. It is through these additional registered credit providers that job creation is fostered. Compliance monitoring was strengthened for this sector to assist them to comply. Enforcement action was taken in cases where deliberate non-compliance is detected. At the same time emphasis was placed on consumer education.
- **Service delivery:** The NCR call centre management system has been upgraded. This conforms with the Batho Pele principle and should improve service delivery. NCR compiled a user friendly compliance manual for credit providers which is available free of charge to all credit providers.
- **Statistics and research:** NCR collated, analysed and disseminated data about consumer credit information

submitted by credit providers and credit bureaus through statutory returns. We published our flagship reports namely the Consumer Credit Market Report (CCMR) and Credit Bureau Monitor (CBM) quarterly throughout 2018/19. The reports were used and quoted extensively by a variety of stakeholders, including media, government, industry analysts, investors, researchers and other decision makers. The statistical information assists the NCR in monitoring trends and developments in the consumer credit industry.

- **Consumer redress:** NCR handled more than 1 800 consumer complaints in 2018/19 with a resolution rate of just over 92.7%. Through compliance monitoring and enforcement, amounts of R13.6 million and R75.2 million were paid as administrative penalties and refunds to consumers respectively.
- **Communication and media:** In the 2018/19 financial year, we achieved media coverage worth about R174 million in calculated advertising value equivalence (AVE) rates. We publicised important developments, issued alerts and provided crucial advice to consumers. We ensured that enforcement is visible as this can serve as a deterrent and create consumer awareness.

Strategic focus for the period ahead

The NCR will intensify efforts to continue delivering on its mandate and to take service delivery to a higher level. Strategic focus areas for 2020/2025 include:

► Improved Regulatory Environment:

- **Collaboration and cooperation:** The NCR will continue to scan the environment and engage with local and international regulators to further understand the trends and developments in the credit industry. Formal MoUs have been signed with most of the local regulators. Other MoUs will be entered into with other key stakeholders.
- **Credit Industry Forum:** The Credit Industry Forum (CIF) established by the NCR will continue to meet quarterly. The CIF comprises credit industry associations (for credit providers, credit bureaus, debt counsellors and payment distribution agencies) and consumer representatives. Meetings are held to identify and address operational difficulties that come with the implementation of the NCA on a consensus basis.
- **Innovation:** The NCR will be participating in the Fintech Innovation Hub together with other national consumer protection agencies, the NCC and NCT. The hub will provide various ICT solutions, including filing and registrations system, electronic payments system, centralised reporting system, etc.

In response to the Fourth Industrial Revolution (4IR), the NCR is collaborating with the World Bank for the subsidisation of smaller players to register consumer credit information on credit bureau databases.

Bringing smaller players onboard will enhance the quality, accuracy and real-time availability of consumer information for the benefit of consumers and credit providers.

- **Establishment of a National Register of Credit Agreements:**

This register will contain information of all credit agreements in the country and is expected to become a useful tool in understanding, monitoring and measuring the credit landscape. Discussions with the SARB, FSCA and FIC are already underway to establish the register.

- **Enforcement of the NCA**

- **Monitoring and enforcement:** The NCR will deploy various tools to monitor and enforce the NCA with special focus on the protection of those consumers who are regarded as the most vulnerable.

This will be implemented through conducting investigations, raids, compliance monitoring, receiving and resolving complaints regarding alleged contraventions of the NCA and taking enforcement action where applicable.

Emphasis will be on total cost of credit including credit life insurance, reckless lending and collection of prescribed debt, the quality and accuracy of consumer credit information held by the credit bureaus and removal of adverse consumer credit information and paid-up judgments by the credit bureaus.

In addition, consumer education and awareness regarding deceptive and unfair practices as well as consumer rights will be conducted. There will also be special focus on women and the youth to effect economic transformation. In order to expand public access to the NCR, especially those in deep rural areas, the NCR is procuring a fully equipped mobile unit.

In order to assist consumers facing retrenchments, NCR intends to engage with the UIF and NSF. Engagements will also be held with employers to create awareness around credit life insurance and other opportunities.

The NCR's focus areas are closely aligned with the key policy areas of the Department of Trade, Industry and Competition (dtic), Government's "Let's Grow South Africa Together" theme and the National Development Plan (NDP).

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; the Portfolio Committee on Trade and Industry and the Select Committee on Trade and International Relations for their guidance and support.



Ms Nomsa Motshegare
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 Mrs 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 2020 – 2025 period.

Signature:



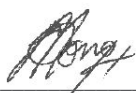
Lesiba Mashapa: Company Secretary

Signature:



Josephine Meyer: Chief Financial Officer

Signature:



Obed Tongoane: Deputy Chief Executive Officer

Signature:



Nomsa Motshegare: Accounting Officer

Approved by:

Signature:



Mr Ebrahim Patel: Executive Authority

PART A

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.

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

In 2003, the dti finalised the Policy Framework for Consumer Credit and went on to develop the National Credit Act (No. 34 of 2005) “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 National Credit Act (No. 34 of 2005) 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 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 Over The Five-Year Planning Period

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

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

In 2003, the dti finalised the Policy Framework for Consumer Credit and went on to develop the National Credit Act (No. 34 of 2005) “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.

4. Relevant Court Rulings

The NCR appraises the rulings and decision of the High Courts and the National Consumer Tribunal on a regular basis. The likely impact of these decisions is taken into account when crafting our strategic plans. A brief summary of recent court decisions and rulings is provided below.

Matter	Court & Case Reference Number	Legal issues, status, implications
MFSA vs NCR and dti	North Gauteng High Court Case No 16746/16	This is a High Court review of Regulation 42 - limitation on fees and interest by Micro Finance South Africa (MFSA). The court ruled in favour of MFSA. The NCR and dti lodged an appeal which was heard on 12 and 13 December 2017 and judgement was granted in favour of the dti and the NCR. MFSA applied for special leave to appeal the decision at the Supreme Court of Appeal. The application was dismissed with costs.
MFSA vs NCR, dti and NCT	North Gauteng High Court Case No 64646/16	This is an application for a declaratory order regarding the interpretation of section 102 that was brought by the MFSA. MFSA would like the court to interpret the section as permitting the inclusion of initiation fees into the deferred amount for all types of credit agreements and not just the credit agreements mentioned in section 102. The matter was set down for a hearing on 29 and 30 July 2019, but was ultimately removed from the roll. The matter will now be heard on 4 and 5 May 2020.
MFSA vs the Minister of Trade and Industry and the NCR.	North Gauteng High Court Case No 59612/17	This is a High Court review of the credit life regulations by the MFSA. The MFSA is alleging that the new prescribed cost of credit life insurance is unreasonable. The parties are still exchanging pleadings and as soon as the pleadings have closed the matter will be set down for a hearing.

Matter	Court & Case Reference Number	Legal issues, status, implications
Bridge vs NCR	North Gauteng High Court Case No 87768/14	The Applicant has applied to the High Court for an order to declare sections 55 and 57 of the NCA, which grants the NCR powers to issue compliance notices, unconstitutional. The matter is suspended pending the finalisation of the liquidation application against Bridge.
SAFPS vs NCR and NCT	North Gauteng High Court Case No 660/2016A	This is an appeal by SAFPS against the decision of the NCT that found SAFPS guilty of prohibited conduct and for breaching the NCA in so far as retention periods of adverse listings for credit bureaus are concerned. On 30 November 2017, the North Gauteng High Court upheld the appeal by SAFPS. The NCR appealed the High Court decision to the Supreme Court of Appeal. The matter was heard on 22 May 2019 and judgment was granted in favour of SAFPS.
NCR vs Finbond	National Consumer Tribunal NCT/26629/2015/140 (1)(P)	The NCR referred Finbond to the NCT for charging consumers unreasonable cost of credit life insurance. The matter was heard on 25 July 2017 and the NCT dismissed the NCR's case. The NCR appealed the decision and the matter was heard on 19 June 2018. Judgment is awaited.
NCR vs Shoprite Investments	National Consumer Tribunal NCT/32946/2015/140 (1)	The NCR referred Shoprite to the NCT for allegations of reckless lending and mis-selling of credit life insurance. The matter was heard on the 20 June 2017 and the NCT ruled in favour of the NCR and found Shoprite guilty of reckless lending. A fine of R1 000 000 was imposed. Shoprite appealed the decision and the appeal was dismissed with costs.

Matter	Court & Case Reference Number	Legal issues, status, implications
Getbucks (Proprietary) Limited vs NCR and Another	North Gauteng High Court Case No 20155/15&	The NCR lodged an application to the NCT for an order that Getbucks had inter alia overcharged service fees in contravention of Regulation 44. Getbucks then applied to the High Court to declare Regulation 44 <i>ultra vires</i> and void and for an order interdicting the NCR from prosecuting Getbucks at the NCT based on a contravention of Regulation 44. Judgment was handed down in the High Court on 11 October 2019, in terms of which the court found that Regulation 44 was <i>ultra vires</i> , granted an order prohibiting the NCR from continuing with the Regulation 44 portion of the prosecution in the NCT and ordered NCR and the Minister to pay legal costs. NCR launched an application for leave to appeal on 1 November 2019. The application for leave to appeal was heard on 23 January 2020 and judgement was reserved.
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 Respondent before the appeal could proceed. Moneyline then launched an application for leave to appeal against this judgment, which application for leave to appeal was heard on 2 December 2019. Judgment is awaited.
NCR vs Standard Bank	North Gauteng High Court Case No 44415/16	The NCR brought an application for a declaratory order regarding the application of common law set off on credit agreements. The Legal Resources Centre was granted leave to join as friends of the court. The matter was heard on 13 May 2019, and judgement was handed in favour of the NCR.
Edcon vs NCR	National Consumer Tribunal A237/2017	The NCR referred Edcon group to the NCT for the unlawful charging of club fees to consumers, and the NCT ruled in the favour of NCR. Edcon appealed against the decision of the NCT and won the case.

Matter	Court & Case Reference Number	Legal issues, status, implications
NCR vs Lewis	National Consumer Tribunal NCT/41671/2016/140 (1)	The NCR referred Lewis to the NCT for the unlawful charging of club fees to consumers, and the NCT ruled in favour of Lewis. The NCR appealed against the decision of the NCT and won the case.
NCR vs Mr Price	NCT/81672/2017/140	The NCR referred Mr Price group to the NCT for the unlawful charging of club fees to consumers. The matter was withdrawn as a result of the Edcon ruling.
NCR vs Foschini	NCT/84881/2017/140 (1)	The NCR referred the Foschini group to the NCT for the unlawful charging of club fees to consumers. The matter was withdrawn as a result of the Edcon ruling.
NCR vs Standard Bank	National Consumer Tribunal NCT/29041/2015/140 (1)	The NCR referred Standard Bank to the NCT for alleged reckless lending. The matter concerns the so called "699 Satinsky" car sales scheme. The NCT dismissed the application by the NCR and the NCR is appealing the decision. The matter is set down for hearing on 20 May 2020.
NCR vs Nedbank	National Consumer Tribunal NCT/ 31680/2015/140 (1)	The NCR referred Nedbank to the NCT for alleged reckless lending. The matter concerns the so called "699 Satinsky" car sales scheme. The matter was resolved through a settlement agreement and redress was given to consumers.
BMW vs NCR	National Consumer Tribunal NCT/93829/2017/56(1)	Compliance Notice was issued for the "on the road" fees. BMW objected to the compliance notice by an application to the NCT. The NCR is opposing the objection application.
VW vs NCR	NCT/94937/2017/56(1)	Compliance Notice was issued for the "on the road" fees. VW objected to the compliance notice. The NCR opposed the application. The matter was heard in February 2019, and judgement was handed down in favour of the NCR. VW has appealed the decision.
Mercedes Benz vs NCR	NCT/107156/2018/56(1)	Compliance Notice was issued for the "on the road" fees. Mercedes Benz objected to the compliance notice and lodged an application to the NCT. The NCR opposed the application. Pleadings have closed and we are awaiting a hearing date.

PART B

OUR STRATEGIC FOCUS

1. Vision

The vision of the National Credit Regulator is:

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

2. Mission

The mission of the National Credit Regulator is:

“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.”

3. 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. 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 2019 was R143.00 billion. This represents an increase of R9.37 billion (7.01%) when compared to the R133.64 billion extended a year ago (September 2018).

Mortgages share of new credit granted increased from 29.78% in September 2018 to 30.18% in September 2019. Secured credit, which is dominated by vehicle finance increased by R1.34 billion (3.20%) year-on-year and by R2.13 billion (5.17%) quarter-on-quarter. Secured credit is currently the largest credit extended per quarter since 2009 quarter two (2009Q2) with a 30.30% share of the total credit granted.

The total gross outstanding debtors book of consumer credit for the quarter ended September 2019 amounted to R1.93 trillion, representing an increase of R114.82 billion (6.32%) year-on-year and an increase of R28.29 billion (1.49%) on a quarter-on-quarter basis.

Applications for registration of credit providers are steadily increasing. As at 31 December 2019, a total of 7 567 credit providers with 39 562 branches, 43 credit bureaus, 4 payment distribution agents, 6 alternative dispute resolution agents and 1 612 debt counsellors were registered with the NCR.

As at September 2019, the credit bureaus held records for 25.14 million credit-active consumers, a decrease of 1 090 631 (4.53%) consumers when compared to September 2018. The number of consumers classified to be in good standing was 14.35 million (57.06%) while the balance of 10.80 million (42.94%) had impaired records.

The trends noticed during the past year are:

- Credit facilities and Unsecured credit sharp increments.
- Reduction of short-term credit granted.
- Developmental credit continued to decline owing to NSFAS.
- Credit extension for mortgages has been steadily increasing in the past year.

The biggest challenge is that due to the evolving nature of the credit industry and digitisation, more complex consumer products are being introduced. NCR needs to keep abreast with developments and find ways to regulate using innovative regulatory technology. In a digital world where physical limits do not apply, there is an astonishing number of lending possibilities.

5. External environment analysis

The following external factors affect and may continue to affect the work of the NCR:

a) Socio-economic conditions - Tough economic conditions and corresponding high unemployment figures prevail (29.1% according to Stats South Africa's Quarterly Labour Force Survey for the quarter ended September 2019). In October 2019, the World Bank revised down South Africa's growth prospects for the next two years (expected to grow by 0.8% in 2019, by 1.0 % in 2020 and by 1.3% in 2021). The National Treasury projected GDP growth of 0.9% for 2020, 1.3% for 2021 and 1.6% in 2022. The sluggish economic growth has led to increased retrenchments and by extension, a spike in over-indebted consumers.

b) Regulatory framework - The World Bank's downward revisions reflect the sharp slowdown in real GDP growth, low investor sentiment, continued policy uncertainty and the financial burden presented by Eskom to the fiscus. Uncertainty in regulating enforcement can curb job creation while regulatory certainty results in desirable outcomes that have a positive impact on the credit market.

On the positive side, the National Credit Amendment Act was passed by the National Assembly. The amendments (to the National Credit Act of 2005) provide debt intervention for over-indebted consumers who cannot afford or do not qualify for existing debt relief measures. The NCR is to execute this additional mandate in the coming years.

c) Digitisation and increasing complexity - The credit market continues evolving due to the technology that drives it. The emergence of on-line, peer-to-peer lending and other new forms of lending in South Africa and other countries has brought new regulatory challenges. Close monitoring or scrutiny on compliance with the law will have to be done.

The NCR continues monitoring the introduction of new credit products and the advertising by credit providers, in order to curb the luring of consumers into debt traps. This in turn requires improved product knowledge and understanding by the NCR to be able to monitor their compliance with legislation effectively.

d) Fourth Industrial Revolution (4IR) - As technology advances, the pace of (the resultant) change is faster and it becomes imperative to upgrade knowledge, skills, attitudes, efficiencies, systems processes and budget.

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.

e) Stakeholder management - The approach of the NCR towards stakeholder management is to facilitate open discussion and engagement with the industry and other stakeholders. Efforts are being made to achieve this objective while avoiding regulatory capture by the industry.

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 forum represents all industry players and consumers. It plays an important role in resolving operational problems on the implementation of the legislation.

The NCR is a member of the African Consumer Protection Dialogue which is facilitated by the Federal Trade Commission of the United States (The African Dialogue). This forum brings together regulators from all over the African continent to discuss consumer protection issues and share information.

The NCR also holds regular meetings with industry associations, registrants and magistrates. Ongoing meetings are also held with local and foreign investors as well as local financial institutions and other regulators including the FSCA, PA, SARB and FIC. The NCR also has networks with other regulators in the SADC region, United States of America and the United Kingdom.

6. Internal environment analysis

The following internal factors affect and may continue to affect the work of the NCR:

a) Funding - Adequate funding is a factor that the NCR always needs to consider. Due to cost-cutting measures and improved efficiencies, the NCR was able to deliver against its Strategic Plan so far. We need to continue finding innovative ways to augment the budget in order to be able to execute our legislative mandate.

b) Structure, systems and processes - With the 4IR upon us, it is essential to advance our information communication technology (ICT) to enable our deliverables. The NCR Service Delivery Improvement Plan (SDIP) has so far led to improved

efficiencies in service delivery such as a more accessible contact centre and an SMS system that keeps complainants abreast of progress on the resolution of their complaints and applicants up to date with their registration applications. 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.

- c) **Human Capital** – Having the right people on board is an important factor that determines the success of the NCR. To increase capacity and bolster staff complement, we recruit interns to assist with, in particular, investigations and compliance monitoring. Retention of skills is a major priority.
- d) **Knowledge intensity** – Operating in a knowledge economy and digitised workplace means the NCR has to provide its valued staff with opportunities for training and further studies, participation in conferences and similar industry events. Life-long learning is vital.



PART C

MEASURING OUR PERFORMANCE

1. Institutional Performance Information

1.1 Impact statement

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

1.1.1. Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five-year target
Improved collaboration with statutory entities and other key stakeholders.	Functional national register of credit agreements established by NCR, SARB, FSCA & FIC.	Established steering committee.	Functional national register of credit agreements.
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 business days upon receipt of signed proposed conditions and payment of registration fees.	95% of applications registered within 9 business days upon receipt of signed proposed conditions and payment of registration fees.	99% of applications registered within 2 business days upon receipt of signed proposed conditions and payment of registration fees.

1.1.2. Explanation of Planned Performance over the Five-year Planning Period

- Establishment of the national register of credit agreements contribute towards 4th industrial revolution and in the long term, the register will enable funding, support to SMMEs and opportunity for job creation.
- The establishment of the register will require collaboration with statutory entities and other key stakeholders.
- 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.
- In order to achieve these targets, a well-functioning infrastructure and adequate funding is required.

1.2 Impact statement

A fair, responsible and accessible consumer credit market promoted.

1.2.1. Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five-year target
Improved compliance through enforcement of the NCA.	Number of credit providers complying with regulations pertaining to the total cost of credit (including credit life insurance).	310 credit providers	1 550 credit providers
	Number of credit providers complying with regulations pertaining to reckless lending and or collection of prescribed debt.	320 credit providers	1 600 credit providers
	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices and consumer rights.	100 consumer education and awareness campaigns and activities	500 consumer education and awareness campaigns and activities
	Number of credit bureaus complying with the Act.	10 credit bureaus	60 credit bureaus

1.2.2. Explanation of Planned Performance over the Five Year Planning Period

- Promotion of affordable levels of credit granting, decreased levels of reckless lending, unfair practices and accurate consumer credit information will contribute towards improved consumer protection and economic growth.
- 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 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
<ul style="list-style-type: none"> • Improved collaboration with statutory entities and other key stakeholders; • Increased efficiency in registration of persons and entities to facilitate creation of job opportunities; and • Improved compliance through enforcement of the NCA. 	Funding	Alternative funding models are in place; PDA interest utilisation policy; new registration thresholds for credit providers; 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.
	Information Technology	Assessment of the new ICT infrastructure; Additional servers acquired; new additional laptops and desktops acquired; additional ICT skills recruited; Network infrastructure improved.
	Human Capital	Some vacant positions have been and are filled; Training interventions; staff benefits; provision of tools of trade; retention strategies; wellness programs.
	Business Continuity	Risk assessment on security performed; Insurance cover in place; - Maintenance plan in place for office equipment and building; ICT disaster recovery & BCM plans are in place; Health & safety committee; server monitoring & alert system.
	Efficient service delivery	Regular consumer education campaigns; Capacity building workshops; Ongoing compliance monitoring & enforcement action; Ongoing training sessions for NCR employees; External evaluation of the call centre; Regular engagements with other regulators; regular engagements with the dtic & other government departments.

PART D

TECHNICAL INDICATOR DESCRIPTION

Items	Guide
Indicator title	Functional national register of credit agreements established by NCR, SARB, FSCA & FIC.
Definition	A national register for all credit agreements concluded in RSA and established in terms of Section 69 of the NCA.
Source of data	Credit Providers
Method of calculation or assessment	Qualitative and Quantitative (system generated reports)
Assumptions	That there will be a co-operation by all entities involved
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Desired performance	Increased access to SMMEs funding and effective enforcement of the Act.
Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
Indicator title	% of new entrants (persons and entities) registered within a number of business days of receipt of signed proposed conditions and payment of registration fees.
Definition	The indicator seeks to improve efficiency in the registration process of persons and entities.
Source of data	<ul style="list-style-type: none"> • Registration fees collected and signed proposed conditions of registration received • Registration certificates issued • Applicants • Reports from the system
Method of calculation or assessment	<p>Quantitative</p> <p>Total number of applications registered within 2 business days of receipt of signed proposed conditions and payment of registration fees.</p> <hr/> <p>Total number of applications registered = Total percentage (%) of new applications registered</p>
Assumptions	Functional registration system
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Desired performance	Increased number of registered persons and entities leading to job creation and establishment of SMMEs.
Indicator responsibility	Manager: Registrations

Items	Guide
Indicator title	Number of credit providers complying with regulations pertaining to the total cost of credit (including credit life insurance).
Definition	The indicator seeks to identify credit providers that are compliant with regulations pertaining to the total cost of credit (including credit life insurance).
Source of data	• Compliance monitoring reports
Method of calculation or assessment	Quantitative
Assumptions	Functional system
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Desired performance	Improved compliance with the regulations by credit providers.
Indicator responsibility	Managers: Investigations & Enforcement, Credit Providers Compliance & Complaints

Items	Guide
Indicator title	Number of credit providers complying with regulations pertaining to reckless lending and/or collection of prescribed debt.
Definition	The indicator seeks to identify credit providers that are compliant with regulations pertaining to reckless lending and or collection of prescribed debt.
Source of data	<ul style="list-style-type: none"> • Compliance monitoring reports • Reduction in complaints relating to reckless lending and/or collection of prescribed debt. • System generated reports
Method of calculation or assessment	Quantitative
Assumptions	Functional system
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Desired performance	Improved compliance with the regulations by credit providers.
Indicator responsibility	Managers: Investigations & Enforcement, Credit Providers Compliance & Complaints

Items	Guide
Indicator title	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices and consumer rights.
Definition	Improving education awareness on the deceptive and unfair credit practices and consumer rights.
Source of data	<ul style="list-style-type: none"> • Complaints received • Investigations conducted • Statistics • Media • Stakeholder engagements • Media briefs • News clippings • Interviews clips • E – Boards • Campaign reports • Email notifications for interviews conducted
Method of calculation or assessment	Quantitative
Assumptions	Cooperation by stakeholders and that consumers will be interested in the campaigns and activities and understand the messages.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • 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	Number of credit bureaus complying with the Act.
Definition	The indicator seeks to identify credit bureaus that are compliant with the NCA.
Source of data	Compliance monitoring reports • System generated reports
Method of calculation or assessment	Quantitative
Assumptions	Functional system
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 NCA.
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 2020-2021	Year 2021-2022	Year 2022-2023	Year 2023-2024	Year 2024-2025
Operational Expenditure					
Personnel costs	109 157 097	114 614 952	120 345 700	126 362 985	132 681 134
Administration costs	24 742 430	25 979 552	27 278 529	28 642 456	30 074 579
Professional / Programme costs	30 829 790	32 371 280	33 989 844	35 689 336	37 473 803
Total operational expenditure	164 729 318	172 965 783	181 614 073	190 694 776	200 229 515
Capital Expenditure					
Fixed assets	4 523 084	4 658 776	4 798 540	4 942 496	5 090 771
ICT operational system	1 236 000	1 273 080	1 311 272	1 350 611	1 391 129
Total capital expenditure	5 759 084	5 931 856	6 109 812	6 293 106	6 481 900
TOTAL EXPENDITURE	170 488 401	178 897 856	187 723 885	196 987 883	206 711 415
INCOME					
Fees from registrants	52 002 273	54 602 386	57 559 275	60 437 238	63 459 100
Transfers from the dtic	89 957 000	88 575 000	91 869 000	96 462 450	101 285 573
Interest	2 415 000	2 535 750	2 662 538	2 795 664	2 935 448
Other income	32 114 129	33 184 503	35 633 072	37 292 530	39 031 295
TOTAL INCOME	170 488 401	178 897 639	187 723 885	196 987 883	206 711 415

Abbreviations & Acronyms

AA	Accounting Authority	ICCR	International Committee on Credit Reporting
ACFTA	African Continental Free Trade Area	ICT	Information and Communication Technology
ADRA	Alternative Dispute Resolution Agent	MFSA	Microfinance South Africa
AGSA	Auditor-General of South Africa	MoU	Memorandum of Understanding
ARMC	Audit and Risk Management Committee	NCA	National Credit Act
AVE	Advertising Value Equivalence	NCAA	National Credit Amendment Act
BBBEE	Broad-Based Black Economic Empowerment	NCC	National Consumer Commission
CBA	Credit Bureau Association	NCR	National Credit Regulator
CBDA	Cooperative Banks Development 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 Scheme
CEO	Chief Executive Officer	PA	Prudential Authority
CFO	Chief Financial Officer	PDA	Payment Distribution Agent
CIF	Credit Industry Forum	PFMA	Public Finance Management Act
CIPC	Companies and Intellectual Property Commission	SACRRA	South African Credit and Risk Reporting Association
COO	Chief Operations Officer	SAPS	South African Police Service
COTII	Council of Trade and Industry Institutions	SARB	South African Reserve Bank
dti	Department of Trade and Industry	SADC	Southern African Development Community
dtic	Department of Trade, Industry and Competition	SCM	Supply Chain Management
DPSA	Department of Public Service and Administration	SDIP	Service Delivery Improvement Plan
EE	Employment Equity	SEDA	Small Enterprise Development Agency
EXCO	Executive Committee	SEFA	Small Enterprise Finance Agency
FIC	Financial Intelligence Centre	SMME	Small Medium and Micro Enterprises
FSCA	Financial Sector Conduct Authority	SMS	Short Message Service
GDP	Gross Domestic Product	UIF	Unemployment Insurance Fund
		4IR	Fourth Industrial Revolution

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

Annual Performance Plan

2020 – 2023

Contents

Executive Authority Statement.....	35
Accounting Officer Statement	36
Official Sign-Off.....	39
PART A: OUR MANDATE	40
1. Updates to Relevant Legislative and Policy Mandates	41
2. Updates to Institutional Policies and Strategies	42
3. Updates to Relevant Court Rulings.....	42
PART B: OUR STRATEGIC FOCUS	46
1. Updated Situational Analysis.....	47
2. External Environment Analysis.....	47
3. Internal Environment Analysis.....	48
PART C: MEASURING OUR PERFORMANCE	49
1. Institutional Programme Performance Information.....	50
1.1. Programme 1: Improved Regulatory Environment.....	50
1.2. Programme 2: Enforcement of the National Credit Act.....	53
2. Key Risks and Mitigations.....	60
PART D: TECHNICAL INDICATOR DESCRIPTION	62





Mr Ebrahim Patel

Minister Responsible for Trade, Industry and Competition

Executive Authority Statement

THE PUBLIC FINANCE MANAGEMENT ACT REQUIRES THAT EVERY PUBLIC ENTITY PREPARES A STRATEGIC PLAN SETTING OUT THE OVERALL STRATEGY FOR THE 5 YEAR PERIOD COVERING THE STATE'S MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF). EVERY YEAR, AN ANNUAL PERFORMANCE PLAN (APP) IS PREPARED, WHICH CONVERTS THE OVERALL STRATEGY TO KEY ANNUAL TARGETS. THESE DOCUMENTS ARE THEN PROVIDED FOR APPROVAL TO THE EXECUTIVE AUTHORITY AND BUDGETS ARE ALIGNED TO THESE PLANS.

The **National Credit Regulator (NCR)** has prepared its **Annual Performance Plan 2020-2023**, which I now submit to Parliament, as required by the legislation.

This is the first **Annual Performance Plan** prepared in the 6th Administration by the **NCR**. I have requested that all entity Strategic Plans and Annual Performance Plans be aligned to the MTSF, which incorporates the work to develop and implement National Sector Masterplans, as well as the trade reforms, investment and transformation work of the Department.

Once the revised MTSF has been signed off, we will review the Strategic Plan and Annual Performance Plan of the entity and

align it accordingly. The Strategic Plan and Annual Performance Plan may further need to be aligned to Government's response to the COVID-19 pandemic, both during the period of the national disaster declared by President Ramaphosa, and thereafter as we adapt to the new economic reality. Should adjustments be made, a revised Plan will be submitted to Parliament.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', with a long horizontal stroke extending to the right.

Mr Ebrahim Patel

Minister Responsible for Trade, Industry and Competition



Ms Nomsa Motshegare
Accounting Authority and Officer

Accounting Officer Statement

OVERVIEW OF THE NCR AND ITS VISION

The NCR's mandate entails promoting a fair and non-discriminatory 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).

The NCR is driven by the imperatives of advancing the social and economic welfare of South Africans, and advancing black economic empowerment and ownership within 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 and its Regulations make provision for all credit providers to be registered with the NCR and the threshold was reduced to R1,00;
- Monitoring and enforcement programmes in relation to collection and sale of prescribed debts and credit providers to be encouraged to refrain from doing this;
- Monitoring compliance with the Affordability Assessment Regulations;
- Monitoring compliance with the Regulations regarding the cost of credit and credit life insurance; and
- Improved publication on the work undertaken by the NCR and its success stories.

These focus areas were aligned to the strategic objectives and core themes of the dti. 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 2018/19 financial year include the following:

- **Good corporate governance:** As a result of the prudent financial management and corporate governance practised, the NCR achieved a clean audit for the 2018/19 financial year (and also for 2014/15, 2015/16, 2017/18). We submitted the Three-year Annual Performance Plan for 2018/19 – 2020/21, the Five-year Strategy Plan for 2018/19 – 2022/23 and the Annual Report 2018/19 in line with Parliamentary timelines. These clean audits were coupled with achievements/activities that made a positive impact in the credit industry.
- **Consumer education and community outreach:** The NCR conducted 513 consumer education activities, including community outreach programmes (imbizos) in partnership with Local Tribal Authorities in various provinces. A total of 69 stakeholder engagements, 394 radio interviews and 29 TV interviews were held.

A total of 57 high schools benefitted from the NCR and CBA Schools Financial Literacy programme in 2018/19. These are in Gauteng, KwaZulu-Natal and Western Cape Provinces. The main topics discussed included the role of the NCR, over-indebtedness, access to credit, cost of credit and credit information. The programme was delivered in an industrial theatre format.

- **Collaboration and cooperation:** The NCR participated in quarterly 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 national consumer protection agencies which include the National Consumer Commission (NCC), NCR and National Consumer Tribunal (NCT) established a joint forum which will oversee the design, development and deployment of information and communications technology solutions to effectively meet their goals and objectives in terms of their mandates.

- **International recognition:**
 - **African Consumer Protection Dialogue:** The NCR as a member of the Consumer Protection Dialogue, facilitated by the Federal Trade Commission of the United States, continued to share information on the consumer credit market, especially the trends and developments in the credit industry, consumer education and trends in enforcement. It is through these engagements that the eSwatini Financial Services Regulatory Authority was established in terms of the Consumer Credit Act which is modelled around our NCA.

- International Committee on Credit Reporting (ICCR):

The NCR is a member of the ICCR, a global standard setting body for credit reporting. The ICCR meets regularly in different countries. The NCR is collaborating with ICCR and the World Bank on the use of alternative data and automation in credit reporting.

- **Enforcement:** The NCR defended and continues to defend the rights of consumers in various court cases. In the case against MicroFinance South Africa, the Supreme Court of Appeal found in favour of the dti and the NCR, reaffirming that interest rates on short-term loans cannot exceed 5% a month on the first loan and 3% a month on subsequent loans in a calendar year.

The NCR referred Shoprite to the NCT for allegations of reckless lending and mis-selling credit life insurance. The NCT ruled in favour of the NCR and found Shoprite guilty of reckless lending. A fine of R1 000 000 was imposed. Shoprite appealed the decision and the appeal was dismissed with costs.

The NCR brought an application for a declaratory order against Standard Bank regarding the application of common law principle of set off in credit agreements. Judgment was handed in favour of the NCR. The judgment abolished this principle in so far as it relates to credit agreements governed by the NCA.

The NCR referred Nedbank to the NCT for allegations of reckless lending relating to the so called “699 Satinsky” car sales scheme. The matter was resolved through a settlement agreement and redress was provided to consumers.

A total of 61 new matters were referred to NCT during 2018/19.

- NCR also conducted raids jointly with SAPS on small, rural credit providers (especially those that illegally retain consumers’ personal documents). The raids were conducted in six provinces. Arrests were made, ID books and bank cards seized and criminal cases opened. Through the raids conducted, consumers personal documents were returned to them.
- **Registration:** NCR focused on registering small credit providers (microlenders). Registration campaigns in Mpumalanga, Free State and North West resulted in a substantial increase in registration. About 1 500 never-registered-before credit providers registered with the NCR in 2018/19. It is through these additional registered credit providers that job creation is fostered. Compliance monitoring was strengthened for this sector to assist them to comply. Enforcement action was taken in cases where deliberate non-compliance is detected. At the same time emphasis was placed on consumer education.
- **Service delivery:** The NCR call centre management system has been upgraded. This conforms with the Batho Pele principle and should improve service delivery. NCR compiled a user friendly compliance manual for credit providers which is available free of charge to all credit providers.
- **Statistics and research:** NCR collated, analysed and disseminated data about consumer credit information

submitted by credit providers and credit bureaus through statutory returns. We published our flagship reports namely the Consumer Credit Market Report (CCMR) and Credit Bureau Monitor (CBM) quarterly throughout 2018/19. The reports were used and quoted extensively by a variety of stakeholders, including media, government, industry analysts, investors, researchers and other decision makers. The statistical information assists the NCR in monitoring trends and developments in the consumer credit industry.

- **Consumer redress:** NCR handled more than 1 800 consumer complaints in 2018/19 with a resolution rate of just over 92.7%. Through compliance monitoring and enforcement, amounts of R13.6 million and R75.2 million were paid as administrative penalties and refunds to consumers respectively.
- **Communication and media:** In the 2018/19 financial year, we achieved media coverage worth about R174 million in calculated advertising value equivalence (AVE) rates. We publicised important developments, issued alerts and provided crucial advice to consumers. We ensured that enforcement is visible as this can serve as a deterrent and create consumer awareness.

Strategic focus for the period ahead

The NCR will intensify efforts to continue delivering on its mandate and to take service delivery to a higher level. Strategic focus areas for 2020/2023 include:

► Improved Regulatory Environment:

- **Collaboration and cooperation:** The NCR will continue to scan the environment and engage with local and international regulators to further understand the trends and developments in the credit industry. Formal MoUs have been signed with most of the local regulators. Other MoUs will be entered into with other key stakeholders.
- **Credit Industry Forum:** The Credit Industry Forum (CIF) established by the NCR will continue to meet quarterly. The CIF comprises credit industry associations (for credit providers, credit bureaus, debt counsellors and payment distribution agencies) and consumer representatives. Meetings are held to identify and address operational difficulties that come with the implementation of the NCA on a consensus basis.
- **Innovation:** The NCR will be participating in the Fintech Innovation Hub together with other national consumer protection agencies, the NCC and NCT. The hub will provide various ICT solutions, including filing and registrations system, electronic payments system, centralised reporting system, etc.

In response to the Fourth Industrial Revolution (4IR), the NCR is collaborating with the World Bank for the subsidisation of smaller players to register consumer credit information on credit bureau databases.

Bringing smaller players onboard will enhance the quality, accuracy and real-time availability of consumer information for the benefit of consumers and credit providers.

- **Establishment of a National Register of Credit Agreements:**

This register will contain information of all credit agreements in the country and is expected to become a useful tool in understanding, monitoring and measuring the credit landscape. Discussions with the SARB, FSCA and FIC are already underway to establish the register.

- **Enforcement of the NCA**

- **Monitoring and enforcement:** The NCR will deploy various tools to monitor and enforce the NCA with special focus on the protection of those consumers who are regarded as the most vulnerable.

This will be implemented through conducting investigations, raids, compliance monitoring, receiving and resolving complaints regarding alleged contraventions of the NCA and taking enforcement action where applicable.

Emphasis will be on total cost of credit including credit life insurance, reckless lending and collection of prescribed debt, the quality and accuracy of consumer credit information held by the credit bureaus and removal of adverse consumer credit information and paid-up judgments by the credit bureaus.

In addition, consumer education and awareness regarding deceptive and unfair practices as well as consumer rights will be conducted. There will also be special focus on women and the youth to effect economic transformation. In order to expand public access to the NCR, especially those in deep rural areas, the NCR is procuring a fully equipped mobile unit.

In order to assist consumers facing retrenchments, NCR intends to engage with the UIF and NSF. Engagements will also be held with employers to create awareness around credit life insurance and other opportunities.

The NCR's focus areas are closely aligned with the key policy areas of the Department of Trade, Industry and Competition (dtic), Government's "Lets Grow South Africa Together" theme and the National Development Plan (NDP).

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; the Portfolio Committee on Trade and Industry and the Select Committee on Trade and International Relations for their guidance and support.



Ms Nomsa Motshegare

National Credit Regulator



Official Sign-Off

IT IS HEREBY CERTIFIED THAT THIS ANNUAL PERFORMANCE PLAN:

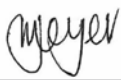
- Was developed by the management of the National Credit Regulator under the guidance of Mrs N Motshegare;
- Takes into account all the relevant policies, legislation and other mandates for which the National Credit Regulator is responsible; and
- Accurately reflects the Outcomes and Outputs which the National Credit Regulator will endeavour to achieve over the 2020 – 2023 period.

Signature:



Lesiba Mashapa: Company Secretary

Signature:



Josephine Meyer: Chief Financial Officer

Signature:



Obed Tongoane: Deputy Chief Executive Officer

Signature:



Nomsa Motshegare: Accounting Officer

Approved by:

Signature:



Mr Ebrahim Patel: Executive Authority

The page features a large, abstract graphic on the left side. It consists of several overlapping geometric shapes in shades of orange, grey, and white. A prominent orange curved line sweeps across the upper half of the page. The text 'PART A' is positioned in the upper right area, and 'OUR MANDATE' is located in the lower right area.

PART A

OUR MANDATE

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 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 National Credit Regulator enforces the provisions of the National Credit Act 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 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.

Key legislative changes

- The National Credit Amendment Bill (B30–2018) was passed by the National Assembly in September 2018. The Bill amends the National Credit Act of 2005 so as to provide debt intervention for over-indebted consumers who cannot afford or do not qualify for existing debt relief measures. The NCR is to execute this additional mandate.

2. Updates to Institutional Policies and Strategies

The objectives the NCR pursues are as follows:

1. Improved regulatory environment, which promotes economic growth through job creation, integration and transformation.
2. A fair, responsible and accessible consumer credit market promoted.

3. Updates to Relevant Court Rulings

The NCR appraises the rulings and decision of the High Courts and the National Consumer Tribunal on a regular basis. The likely impact of these decisions is taken into account when crafting our strategic plans. A brief summary of recent court decisions and rulings is provided below.

Matter	Court & Case Reference Number	Legal issues, status, implications
MFSA vs NCR and dti	North Gauteng High Court Case No 16746/16	This is a High Court review of Regulation 42 - limitation on fees and interest by Micro Finance South Africa (MFSA). The court ruled in favour of MFSA. The NCR and dti lodged an appeal which was heard on 12 and 13 December 2017 and judgement was granted in favour of the dti and the NCR. MFSA applied for special leave to appeal the decision at the Supreme Court of Appeal. The application was dismissed with costs.
MFSA vs NCR, dti and NCT	North Gauteng High Court Case No 64646/16	This is an application for a declaratory order regarding the interpretation of section 102 that was brought by the MFSA. MFSA would like the court to interpret the section as permitting the inclusion of initiation fees into the deferred amount for all types of credit agreements and not just the credit agreements mentioned in section 102. The matter was set down for a hearing on 29 and 30 July 2019, but was ultimately removed from the roll. The matter will now be heard on 4 and 5 May 2020.
MFSA vs the Minister of Trade and Industry and the NCR.	North Gauteng High Court Case No 59612/17	This is a High Court review of the credit life regulations by the MFSA. The MFSA is alleging that the new prescribed cost of credit life insurance is unreasonable. The parties are still exchanging pleadings and as soon as the pleadings have closed the matter will be set down for a hearing.
Bridge vs NCR	North Gauteng High Court Case No 87768/14	The Applicant has applied to the High Court for an order to declare sections 55 and 57 of the NCA, which grants the NCR powers to issue compliance notices, unconstitutional. The matter is suspended pending the finalisation of the liquidation application against Bridge.

Matter	Court & Case Reference Number	Legal issues, status, implications
SAFPS vs NCR and NCT	North Gauteng High Court Case No 660/2016A	This is an appeal by SAFPSS against the decision of the NCT that found SAFPSS guilty of prohibited conduct and for breaching the NCA in so far as retention periods of adverse listings for credit bureaus are concerned. On 30 November 2017, the North Gauteng High Court upheld the appeal by SAFPSS. The NCR appealed the High Court decision to the Supreme Court of Appeal. The matter was heard on 22 May 2019 and judgment was granted in favour of SAFPSS.
NCR vs Finbond	National Consumer Tribunal NCT/26629/2015/140 (1)(P)	The NCR referred Finbond to the NCT for charging consumers unreasonable cost of credit life insurance. The matter was heard on 25 July 2017 and the NCT dismissed the NCR's case. The NCR appealed the decision and the matter was heard on 19 June 2018. Judgment is awaited.
NCR vs Shoprite Investments	National Consumer Tribunal NCT/32946/2015/140 (1)	The NCR referred Shoprite to the NCT for allegations of reckless lending and mis-selling of credit life insurance. The matter was heard on the 20 June 2017 and the NCT ruled in favour of the NCR and found Shoprite guilty of reckless lending. A fine of R1 000 000 was imposed. Shoprite appealed the decision and the appeal was dismissed with costs.
Getbucks (Proprietary) Limited vs NCR and Another	North Gauteng High Court Case No 20155/15&	The NCR lodged an application to the NCT for an order that Getbucks had inter alia overcharged service fees in contravention of Regulation 44. Getbucks then applied to the High Court to declare Regulation 44 <i>ultra vires</i> and void and for an order interdicting the NCR from prosecuting Getbucks at the NCT based on a contravention of Regulation 44. Judgment was handed down in the High Court on 11 October 2019, in terms of which the court found that Regulation 44 was <i>ultra vires</i> , granted an order prohibiting the NCR from continuing with the Regulation 44 portion of the prosecution in the NCT and ordered NCR and the Minister to pay legal costs. NCR launched an application for leave to appeal on 1 November 2019. The application for leave to appeal was heard on 23 January 2020 and judgement was reserved.

Matter	Court & Case Reference Number	Legal issues, status, implications
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 Respondent before the appeal could proceed. Moneyline then launched an application for leave to appeal against this judgment, which application for leave to appeal was heard on 2 December 2019. Judgment is awaited.
NCR vs Standard Bank	North Gauteng High Court Case No 44415/16	The NCR brought an application for a declaratory order regarding the application of common law set off on credit agreements. The Legal Resources Centre was granted leave to join as friends of the court. The matter was heard on 13 May 2019, and judgement was handed in favour of the NCR.
Edcon vs NCR	National Consumer Tribunal A237/2017	The NCR referred Edcon group to the NCT for the unlawful charging of club fees to consumers, and the NCT ruled in the favour of NCR. Edcon appealed against the decision of the NCT and won the case.
NCR vs Lewis	National Consumer Tribunal NCT/41671/2016/140 (1)	The NCR referred Lewis to the NCT for the unlawful charging of club fees to consumers, and the NCT ruled in favour of Lewis. The NCR appealed against the decision of the NCT and won the case.
NCR vs Mr Price	NCT/81672/2017/140	The NCR referred Mr Price group to the NCT for the unlawful charging of club fees to consumers. The matter was withdrawn as a result of the Edcon ruling.
NCR vs Foschini	NCT/84881/2017/140 (1)	The NCR referred the Foschini group to the NCT for the unlawful charging of club fees to consumers. The matter was withdrawn as a result of the Edcon ruling.

Matter	Court & Case Reference Number	Legal issues, status, implications
NCR vs Standard Bank	National Consumer Tribunal NCT/29041/2015/140 (1)	The NCR referred Standard Bank to the NCT for alleged reckless lending. The matter concerns the so called "699 Satinsky" car sales scheme. The NCT dismissed the application by the NCR and the NCR is appealing the decision. The matter is set down for hearing on 20 May 2020.
NCR vs Nedbank	National Consumer Tribunal NCT/ 31680/2015/140 (1)	The NCR referred Nedbank to the NCT for alleged reckless lending. The matter concerns the so called "699 Satinsky" car sales scheme. The matter was resolved through a settlement agreement and redress was given to consumers.
BMW vs NCR	National Consumer Tribunal NCT/93829/2017/56(1)	Compliance Notice was issued for the "on the road" fees. BMW objected to the compliance notice by an application to the NCT. The NCR is opposing the objection application.
VW vs NCR	NCT/94937/2017/56(1)	Compliance Notice was issued for the "on the road" fees. VW objected to the compliance notice. The NCR opposed the application. The matter was heard in February 2019, and judgement was handed down in favour of the NCR. VW has appealed the decision.
Mercedes Benz vs NCR	NCT/107156/2018/56(1)	Compliance Notice was issued for the "on the road" fees. Mercedes Benz objected to the compliance notice and lodged an application to the NCT. The NCR opposed the application. Pleadings have closed and we are awaiting a hearing date.



PART B

OUR STRATEGIC FOCUS

1. Updated 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 year. 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.

1.1. State of the credit market

The total value of new credit extended to South African consumers as at the end of September 2019 was R143.00 billion. This represents an increase of R9.37 billion (7.01%) when compared to the R133.64 billion extended a year ago (September 2018).

Mortgages share of new credit granted increased from 29.78% in September 2018 to 30.18% in September 2019. Secured credit, which is dominated by vehicle finance increased by R1.34 billion (3.20%) year-on-year and by R2.13 billion (5.17%) quarter-on-quarter. Secured credit is currently the largest credit extended per quarter since 2009 quarter two (2009Q2) with a 30.30% share of the total credit granted.

The total gross outstanding debtors book of consumer credit for the quarter ended September 2019 amounted to R1.93 trillion, representing an increase of R114.82 billion (6.32%) year-on-year and an increase of R28.29 billion (1.49%) on a quarter-on-quarter basis.

Applications for registration of credit providers are steadily increasing. As at 31 December 2019, a total of 7 567 credit providers with 39 562 branches, 43 credit bureaus, 4 payment distribution agents, 6 alternative dispute resolution agents and 1 612 debt counsellors were registered with the NCR.

As at September 2019, the credit bureaus held records for 25.14 million credit-active consumers, a decrease of 1 090 631 (4.53%) consumers when compared to September 2018. The number of consumers classified to be in good standing was 14.35 million (57.06%) while the balance of 10.80 million (42.49%) had impaired records.

The trends noticed during the past year are:

- Credit facilities and Unsecured credit sharp increments.
- Reduction of short-term credit granted.
- Developmental credit continued to decline owing to NSFAS.
- Credit extension for mortgages has been steadily increasing in the past year.

The biggest challenge is that due to the evolving nature of the credit industry and digitisation, more complex consumer products are being introduced. NCR needs to keep abreast with developments and find ways to regulate using innovative regulatory technology (regtech). In a digital world where physical limits do not apply, there is an astonishing number of lending possibilities.

2. External environment analysis

The following external factors affect and may continue to affect the work of the NCR:

a) Socio-economic conditions - Tough economic conditions and corresponding high unemployment figures prevail (29.1% according to Stats South Africa's Quarterly Labour Force Survey for the quarter ended September 2019). In October 2019, the World Bank revised down South Africa's growth prospects for the next two years (expected to grow by 0.8% in 2019, by 1.0 % in 2020 and by 1.3% in 2021). The National Treasury projected GDP growth of 0.9% for 2020, 1.3% for 2021 and 1.6% in 2022. The sluggish economic growth has led to increased retrenchments and by extension, a spike in over-indebted consumers.

b) Regulatory framework - The World Bank's downward revisions reflect the sharp slowdown in real GDP growth, low investor sentiment, continued policy uncertainty and the financial burden presented by Eskom to the fiscus. Uncertainty in regulating enforcement can curb job creation while regulatory certainty results in desirable outcomes that have a positive impact on the credit market.

On the positive side, the National Credit Amendment Act was passed by the National Assembly. It provides debt intervention for over-indebted consumers who cannot afford or do not qualify for existing debt relief measures. The NCR is to execute this additional mandate in the coming years.

c) Digitisation and increasing complexity - The credit market continues evolving due to the technology that drives it. The emergence of on-line, peer-to-peer lending and other new forms of lending in South Africa and other countries has brought new regulatory challenges. Close monitoring or scrutiny on compliance with the law will have to be done.

The NCR continues monitoring the introduction of new credit products and the advertising by credit providers, in order to curb

the luring of consumers into debt traps. This in turn requires improved product knowledge and understanding by the NCR to be able to monitor their compliance with legislation effectively.

As technology advances, the pace of change is faster and it becomes imperative to upgrade knowledge, skills, attitudes, efficiencies, systems processes and budget. A hallmark of 4IR is that everything is becoming 'on-demand', from food to transport, from home loans to short-term cash loans.

Digitisation 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.

d) Stakeholder management - The approach of the NCR towards stakeholder management is to facilitate open discussion and engagement with the industry and other stakeholders. Efforts are being made to achieve this objective while avoiding regulatory capture by the industry.

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 forum represents all industry players and consumers. It plays an important role in resolving operational problems on the implementation of the legislation.

The NCR is a member of the African Consumer Protection Dialogue which is facilitated by the Federal Trade Commission of the United States (The African Dialogue). This forum brings together regulators from all over the African continent to discuss consumer protection issues and share information.

Regular meetings are held with industry associations, registrants, magistrates, local and foreign investors, local financial institutions and other regulators including the FSCA and SARB. The NCR also has networks with other regulators in the SADC region, United States of America and the United Kingdom.

3. Internal environment analysis

The following internal factors affect the work of the NCR:

a) Funding - Adequate funding is a factor that the NCR always needs to consider. Due to cost-cutting measures and improved efficiencies, the NCR was able to deliver against its Strategic Plan so far. We need to continue finding innovative ways to augment the budget in order to be able to execute our legislative mandate.

b) Structure, systems and processes - With the Fourth Industrial Revolution upon us, it is essential to advance our information communication technology (ICT) to enable our deliverables. The NCR Service Delivery Improvement Plan (SDIP) has so far led to improved efficiencies in service delivery such as a more accessible contact centre and an SMS system that keeps complainants abreast of progress on the resolution of their complaints and applicants up to date with their registration application.

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

c) Human Capital - Having the right people on board is a top factor that determines the success of the NCR. To increase capacity and bolster staff complement, we recruit interns to assist with, in particular, investigations and compliance monitoring. Retention of skills is a major priority.

d) Knowledge intensity - Operating in a knowledge economy and digitised workplace means the NCR has to provide its valued staff with opportunities for training and further studies, participation in conferences and similar industry events.

PART C

MEASURING OUR PERFORMANCE

1. Institutional Programme Performance Information

1.1. Programme: Improved regulatory environment.

1.1.1. Purpose of the programme: To collaborate with other key entities and stakeholders in order to have greater impact, reduce costs and effectively and efficiently deliver on the NCR mandate. In addition, to promote economic growth through job creation, integration and transformation.

1.1.2. Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Actual Performance				Estimate Performance	Medium Term Targets		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Improved collaboration with statutory entities and other key stakeholders.	• Signed Memorandum of Understanding (MOUs) with relevant stakeholders.	• Signed MOU by relevant stakeholders for the establishment of the register.	-	-	-	-	-	• Sign MOU with SARB, FIC & FSCA regarding the establishment of the register.	Seek and secure funding for the establishment of the register.	Capacitate the entity responsible for hosting the register.
	• Business plan with recommendations.	• Business plan with recommendations.	-	-	-	-	-	• Finalise business plan with recommendations.	-	-
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 applications registered in the consumer credit market within 8 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% applications were registered within 10 business days of receipt of signed proposed conditions and payment of registration fees.	*Register 95% of applications within 9 business days of receipt of signed proposed conditions and payment of registration fees.	-	Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of applications within 7 business days of receipt of signed proposed conditions and payment of registration fees.	Register 99% of applications within 6 business days of receipt of signed proposed conditions and payment of registration fees.

1.1.3. Output Indicators: Annual and Quarterly Targets

Output Indicator	Annual Target	Quarterly Milestones			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
<ul style="list-style-type: none"> Signed MOU by relevant stakeholders for the establishment of the register. Business plan with recommendations. 	<ul style="list-style-type: none"> Sign MOU with SARB, FIC & FSCA regarding the establishment of the register. Finalise business plan with recommendations. 	<ul style="list-style-type: none"> Engage with SARB, FIC & FSCA regarding the establishment of the register. 	<ul style="list-style-type: none"> Sign MOU with relevant stakeholders. 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> -
				<ul style="list-style-type: none"> - Draft business plan. 	<ul style="list-style-type: none"> - Finalise business plan with recommendations.
<ul style="list-style-type: none"> % of new applications registered in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees. 	<ul style="list-style-type: none"> Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees. 	<ul style="list-style-type: none"> Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees. 	<ul style="list-style-type: none"> Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees. 	<ul style="list-style-type: none"> Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees. 	<ul style="list-style-type: none"> Register 96% of applications within 8 business days of receipt of signed proposed conditions and payment of registration fees.

1.1.4. Explanation of planned performance over the medium-term period

- a) Establishment of the national register of credit agreements contribute towards 4th industrial revolution and in the long term, the register will enable funding, support to SMMEs and opportunity for job creation. The register is established in terms of section 69 of the NCA.
- 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		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current payment Compensation of employees			R 7.7m	R9.3m	R9.5m	R10m	R10.5m
Goods & services, etc.	-	-	R3.4m	R4.1m	R4.1m	R4.3m	R4.5m
Total	-	-	R11.1m	R13.4m	R13.6m	R14.3m	R15m

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 and improving education awareness regarding deceptive and unfair practices and consumer rights.

1.2.2. Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2016/17	2017/18	2018/19		2020/21	2021/22	2022/23
Improved compliance through enforcement of the NCA.	Improve compliance with regulations pertaining to the total cost of credit (including credit life insurance).	Number of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with the regulations.	52 investigations were concluded.	66 investigations were conducted.	<p>Q1 & Q2 163 of any or a combination of the following were conducted (36 investigations, 103 compliance monitoring, 24 complaints evaluations, 0 audits, 0 raids).</p> <p>Q3 & Q4 143 credit providers were investigated/ compliance monitored/ complaints evaluated.</p>	*Investigate/ evaluate complaints/ monitor compliance/ audit/ conduct raids on 310 credit providers regarding total cost of credit including credit life) to enforce regulations.	***Conduct 400 investigations on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with regulations.	***Conduct 420 investigations on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with regulations.	***Conduct 440 investigations on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with regulations.

1.2.2. Outcomes, Outputs, Performance Indicators and Targets (continued)

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved compliance through enforcement of the NCA.	Enforcement action taken where necessary by end of the financial year.	Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by the end of the financial year.	6 matters were referred to the NCT and courts, 1 matter was closed as no contraventions were found. The rest of the matters are work in progress and will be dealt with in the next financial year.	Enforcement action was taken on 57 non-compliant credit providers.	Q1 & Q2 84% (137 ÷ 163) enforcement action taken on 137 of any or a combination of the following: (26 investigations, 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.	*Take enforcement action on 75% of 310 credit providers investigated/complaints evaluated/compliance monitored/audited/raided on total cost of credit (including credit life) where necessary by 31 March 2020.	Take enforcement action on 80% of 400 investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by 31 March 2021.	Take enforcement action on 85% of 420 investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by 31 March 2022.	Take enforcement action on 90% of 440 investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by 31 March 2023.
	Improve compliance with regulations pertaining to the total cost of credit (including credit life insurance)	Conduct an impact study of the effect of credit and credit life insurance regulations on consumers and submit a report to the dti.	-	-	The impact study of the effect of total cost of credit and credit life insurance conducted.	-	-	**Review of limitations on fees and interest rates and credit life regulations and submit to the dti.	

1.2.2. Outcomes, Outputs, Performance Indicators and Targets (continued)

Outcome	Outputs	Output Indicators	Audited Actual Performance		Estimate Performance		Medium Term Targets		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved compliance through enforcement of the NCA.	Conduct investigations on credit providers relating to reckless lending and/or collection of prescribed debt.	Number of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt.	61 Investigations on reckless lending were completed.	70 credit provider investigations were conducted.	Q1 & Q2 188 of any or a combination of the following were conducted (38 investigations, 104 compliance monitoring, 46 complaints evaluations, 0 audits, 0 raids) Q3 & Q4 133 credit providers were investigate/ compliance monitored/ complaints evaluated.	* Investigate/ evaluate complaints/ monitor compliance/ audit/ conduct raids on 320 credit providers regarding reckless lending and/or collection of prescribed debt.	***Conduct 430 investigations on credit providers relating to reckless lending and/or collection of prescribed debt.	***Conduct 440 investigations on credit providers relating to reckless lending and/or collection of prescribed debt.	***Conduct 450 investigations on credit providers relating to reckless lending and/or collection of prescribed debt.
	Enforcement action taken where necessary for the whole year.	Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by end of the financial year.	10 matters were referred to the NCT, 4 matters were closed as no contraventions were found.	Enforcement action was taken on non-compliant credit providers	Q1 & Q2 71% (133 ÷ 188) enforcement action taken on 133 of any or a combination of the following (26 investigations, 101 compliance monitoring, 6 complaints evaluations, 0 audits, 0 raids) Q3 & Q4 74% (99 ÷ 133) enforcement action taken on 99 credit providers investigated/ evaluated/ monitored	*Take enforcement action on 75% of 320 credit providers investigated/ complaints evaluated/ compliance monitored/ audited/ raided on reckless lending and/or collection of prescribed debt where necessary by 31 March 2020.	Take enforcement action on 80% of 430 investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by 31 March 2021.	Take enforcement action on 85% of 440 investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by 31 March 2022.	Take enforcement action on 90% of 450 investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by 31 March 2023.

1.2.2. Outcomes, Outputs, Performance Indicators and Targets (continued)

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved compliance through enforcement of the NCA.	Conduct consumer education and awareness campaigns and activities regarding deceptive and unfair practices and consumer rights.	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices and consumer rights.	42 multimedia awareness campaigns were conducted.	37 multimedia awareness campaigns were conducted.	87 multimedia awareness campaigns were conducted.	*Conduct 100 of any or a combination of the following: -Radio interviews -TV interviews -News print -Community outreach programmes -social media on deceptive and unfair practices and consumer rights.	****Conduct 120 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights	****Conduct 140 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights	****Conduct 160 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights.
	Improve compliance by credit bureaus in respect of quality, accuracy, the removal of paid up judgements and adverse consumer credit information.	Number of credit bureaus monitored.	15 credit bureaus monitored and/or investigated.	Fourteen (14) credit bureaus were monitored.	*Fourteen (14) credit bureaus were monitored.	Monitor 10 credit bureaus.	Monitor 14 credit bureaus.	Monitor 16 credit bureaus.	Monitor 18 credit bureaus.
		Enforcement action taken on a percentage (%) of monitored non-compliant credit bureaus where necessary by the end of the financial year.	Out of 15 credit bureaus monitored/ investigated, 4 were operating as unregistered entities and subsequently registered. 11 credit bureaus were found to be compliant.	Enforcement action was taken on one (1) non-compliant credit bureau.	Four (4) credit bureaus were found to be non-compliant and enforcement action was taken on 100% of the credit bureaus which were found to be non-compliant.	*Enforcement action taken on 80% non-compliant credit bureaus where necessary by 31 March 2020.	Enforcement action taken on 85% non-compliant credit bureaus where necessary by 31 March 2021.	Enforcement action taken on 90% non-compliant credit bureaus where necessary by 31 March 2022.	Enforcement action taken on 95% non-compliant credit bureaus where necessary by 31 March 2023.

1.2.2. Outcomes, Outputs, Performance Indicators and Targets (continued)

Outcome	Outputs	Output Indicators	Audited Actual Performance		Estimate Performance		Medium Term Targets		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved compliance through enforcement of the NCA.	Improve compliance by credit bureaus in respect of quality, accuracy, the removal of paid up judgements and adverse consumer credit information.	Number of annual compliance reports certified by an independent auditor submitted by registered credit bureaus and enforcement action taken where necessary on credit bureaus that failed to submit by the due date (15 March).	-	-	Twenty-three (23) of the thirty (30) registered credit bureaus submitted. Enforcement action was taken on six (6) credit bureaus that failed to submit by due date. One (1) of the credit bureau was not operational.	*All registered credit bureaus to submit 2019/20 annual compliance reports certified by an independent auditor by 15 March 2020 and enforcement action taken where necessary on credit bureaus that failed to submit by the due date.	All registered credit bureaus to submit 2020/21 annual compliance reports certified by an independent auditor by 15 March 2021 and enforcement action taken where necessary on credit bureaus that failed to submit by the due date.	All registered credit bureaus to submit 2021/22 annual compliance reports certified by an independent auditor by 15 March 2022 and enforcement action taken where necessary on credit bureaus that failed to submit by due date.	All registered credit bureaus to submit 2022/23 annual compliance reports certified by an independent auditor by 15 March 2023 and enforcement action taken where necessary on credit bureaus that failed to submit by due date.
		% of received registered credit bureau annual compliance reports certified by an independent auditor for the previous financial year evaluated.	Auditors' reports from credit bureaus were reviewed.	Auditors' reports from credit bureaus were reviewed.	100% (13) credit bureaus' audited reports were received and evaluated. *Two (2) credit bureaus were found to be non-compliant and enforcement was taken on both.	*Evaluate 100% annual compliance reports certified by an independent auditor received from registered credit bureaus.	Evaluate 100% annual compliance reports certified by an independent auditor received from registered credit bureaus for 2019/20 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor received from registered credit bureaus for 2020/21 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor received from registered credit bureaus for 2021/22 financial year.
		Enforcement action taken where necessary by end of the financial year.	Letters of instructions were issued to credit bureaus for risk mitigation plans to be put in place and credit bureaus complied. There was no need for enforcement action to be taken.	Enforcement action was taken on two (2) non-compliant credit bureaus.	-	*Enforcement action taken where necessary by 31 March 2020.	Enforcement action taken where necessary by 31 March 2021.	Enforcement action taken where necessary by 31 March 2022.	Enforcement action taken where necessary by March 2023.

*Based on the estimated annual performance targets for 2019/20 financial year.

**The review is conducted at intervals of not more than 3 years, in terms of the NCA; therefore, there are no quarterly milestones for 2020/21 financial year.

***Investigations includes amongst others: complaints evaluations/compliance monitoring/audits/raids.

**** Examples of deceptive and unfair practices amongst others: Blacklisted welcome, no credit checks, loan guaranteed, affordable credit etc.

1.2.3. Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Quarterly Milestones			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Number of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with the regulations.	***Conduct 400 investigations on credit providers relating to cost of credit (including credit life insurance) to ensure compliance with regulations.	100	105	95	100
Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by the end of the financial year.	Take enforcement action on 80% of 400 investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by 31 March 2021.	-	-	-	Take enforcement action on 80% of 400 investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by 31 March 2021.
Number of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt.	***Conduct 430 investigations on credit providers relating to reckless lending and/or collection of prescribed debt.	115	115	95	105
Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by end of the financial year.	Take enforcement action on 80% of 430 investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by 31 March 2021.	-	-	-	Take enforcement action on 80% of 430 investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by 31 March 2021.
Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices and consumer rights.	****Conduct 120 consumer education and awareness campaigns and activities on deceptive and unfair practices and consumer rights.	35	30	25	30
Number of credit bureaus monitored.	Monitor 14 credit bureaus	6	5	3	-
Enforcement action taken on a percentage (%) of monitored non-compliant credit bureaus where necessary by the end of the financial year.	Enforcement action taken on 85% non-compliant credit bureaus where necessary by 31 March 2021.	-	-	-	Enforcement action taken on 85% non-compliant credit bureaus where necessary by 31 March 2021.

1.2.3. Output Indicators, Annual and Quarterly Targets (continued)

Output Indicators	Annual Target	Quarterly Milestones			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Number of annual compliance reports certified by an independent auditor submitted by registered credit bureaus and enforcement action taken where necessary on credit bureaus that failed to submit by the due date (15 March).	All registered credit bureaus to submit 2020/21 annual compliance reports certified by an independent auditor by 15 March 2021 and enforcement action taken where necessary on credit bureaus that failed to submit by due date.	-	-	-	All registered credit bureaus to submit 2020/21 annual compliance reports certified by an independent auditor by 15 March 2021 and enforcement action taken where necessary on credit bureaus that failed to submit by due date
% of annual compliance reports certified by an independent auditor submitted by registered credit bureaus for the previous financial year evaluated.	*Evaluate 100% annual compliance reports certified by an independent auditor submitted by registered credit bureaus for 2019/20 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by registered credit bureaus for 2019/20 financial year.	-	-	-
Enforcement action taken where necessary by the end of the financial year.	Take enforcement action where necessary and produce a final report.	Commence to take enforcement action where necessary and produce progress report.	Continue to take enforcement action where necessary and produce progress report.	Continue to take enforcement action where necessary and produce progress report.	Finalise enforcement action and produce a final report.

*Based on the estimated annual performance targets for 2020/21 financial year.

**The review is conducted at intervals of not more than 3 years, in terms of the NCA; therefore, there are no quarterly milestones for 2019/20 financial year.

***Investigations includes amongst others: complaints evaluations/compliance monitoring/audits/raids.

**** Examples of deceptive and unfair practices amongst others: Blacklisted welcome, no credit checks, loan guaranteed, affordable credit etc.

1.2.4. Explanation of planned performance over the medium-term period

- 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.
- 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		
	2016/17 R '000	2017/18 R '000	2018/19 R '000	2019/20 R '000	2020/21	2021/22	2022/23
Current payment Compensation of employees	R70.1m	R77.3m	R 77.5m	R83m	R84m	R88.3m	R92.5m
Goods & services, etc.	R48.8m	R44m	R44.8m	R61m	R67m	R70.3m	R74.5m
Payments of capital assets Building and other fixed structure Machinery & equipment	R6.3m	R4.2m	R3.3m	R10.8m	R5.8m	R5.9m	R6.1m
Total	R125.2m	R125.6m	R125.6m	R154m	R156.8m	R164.5m	R172.7m

2. Key Risks and Mitigations

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
<ul style="list-style-type: none"> Improved collaboration with statutory entities and other key stakeholders; Increased efficiency in registration of persons and entities to facilitate creation of job opportunities; and Improved compliance through enforcement of the NCA. 	Funding	Alternative funding models are in place; PDA interest utilisation policy; new registration thresholds for credit providers; 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.
	Information Technology	Assessment of the new ICT infrastructure; Additional servers acquired; new additional laptops and desktops acquired; additional ICT skills recruited; Network infrastructure improved.
	Human Capital	Some vacant positions have been and are filled; Training interventions; staff benefits; provision of tools of trade; retention strategies; wellness programs.
	Business Continuity	Risk assessment on security performed; Insurance cover in place; - Maintenance plan in place for office equipment and building; ICT disaster recovery & BCM plans are in place; Health & safety committee; server monitoring & alert system.
	Efficient service delivery	Regular consumer education campaigns; Capacity building workshops; Ongoing compliance monitoring & enforcement action; Ongoing training sessions for NCR employees; External evaluation of the call centre; Regular engagements with other regulators; regular engagements with the dti & other government departments



PART D

TECHNICAL INDICATOR DESCRIPTION

Items	Guide
1. Indicator title	Signed MOU by relevant stakeholders for the establishment of the register.
2. Short definition	Refers to a Memorandum of Understanding (MOU) entered into with statutory entities to establish a national credit register of credit agreements.
3. Source of data	From the relevant mandate of entities entering into MOU
4. Method of calculation or assessment	Qualitative & Quantitative
5. Means of verification	Signed MOU
6. Assumptions	All parties will deliver as agreed in the MOU
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Non-cumulative
10. Reporting cycle	Quarterly
11. Desired performance	Collaboration of the statutory entities to deliver as per the MOU
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	Business plan with recommendations.
2. Short definition	A plan outlining resources, timelines, activities as well as recommendations for the establishing the register.
3. Source of data	Signed MOU
4. Method of calculation or assessment	Qualitative
5. Means of verification	Business plan with recommendations
6. Assumptions	Co-operation by all parties.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Non-cumulative
10. Reporting cycle	Quarterly
11. Desired performance	Completed business plan
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	% of new applications registered in the consumer credit market within 8 business days of receipt of signed proposed conditions and payment of registration fees.
2. Definition	The indicator seeks to improve efficiency in the registration process of persons and entities.
3. Source/collection of data	<ul style="list-style-type: none"> • Registration fees collected and signed proposed conditions of registration received; • Registration certificates issued; • List of applicants • Reports from the system
4. Method of calculation	<p>Quantitative</p> <p>Total number of applications registered within 8 business days of receipt of signed proposed conditions and payment of registration fees.</p> <hr/> <p>Total number of applications registered = Total percentage (%) of new applications registered</p>
5. Means of verification	Reports on registered persons and entities.
6. Assumptions	Functional registration system
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly and annually
11. Desired performance	Increased number of registered persons and entities leading to job creation and establishment of SMMEs.
12. Indicator responsibility	Manager: Registrations

Items	Guide
1. Indicator title	Number of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) to ensure compliance with regulations.
2. Short definition	Enforcement of the Act through investigations, includes amongst others: compliance monitoring/complaints evaluations/audits/raids.
3. Source of data	<ul style="list-style-type: none"> • Referrals from other government entities • Proactive sourcing of information • Complaints received • Anonymous tip-offs • Media reports
4. Method of calculation or assessment	Quantitative and qualitative <ul style="list-style-type: none"> • Simple count of total number of investigations conducted
5. Means of verification	<ul style="list-style-type: none"> • Approved memorandum • Inspection certificates • Acknowledgement of rights • Investigation reports
6. Assumptions	Cooperation from registrants and consumer interest to lodge complaints
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly and annually
11. Desired performance	Improved compliance with the Act and consumer redress
12. Indicator responsibility	Managers: Investigations & Enforcement, Complaints and Credit Provider Compliance

Items	Guide
1. Indicator title	Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to total cost of credit (including credit life insurance) where necessary by the end of the financial year.
2. Definition	Taking enforcement action against alleged non-compliance with the Act.
3. Source of data	<ul style="list-style-type: none"> Investigation reports Media reports
4. Method of calculation or assessment	<p>Quantitative</p> <p>Total number of investigations conducted on credit providers relating to total cost of credit (including credit life) for the whole year (where contraventions were found)</p> <hr/> <p>400 (set target) investigations conducted on total cost of credit (including credit life) for the whole year</p> <hr/> <p>= Total percentage (%) of enforcement action taken</p>
5. Means of verification	<ul style="list-style-type: none"> Instructional letters Compliance notices Referrals to NCT Refunds to consumers Write-off of consumer accounts Court applications and affidavits Court judgments/orders
6. Assumptions	There will be evidence of alleged contraventions.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
9. Calculation type	Percentages and numbers
10. Reporting cycle	Quarterly and annually
11. Desired performance	Improved compliance with the Act and consumer redress
12. Indicator responsibility	Managers: Investigations & Enforcement, Complaints and Credit Provider Compliance

Items	Guide
1. Indicator title	Number of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt.
2. Definition	To decrease the levels of non-compliance with provisions of the Act.
3. Source of data	<ul style="list-style-type: none"> • Referrals from other government entities • Proactive sourcing of information • Complaints received • Anonymous tip-offs • Media reports
4. Method of calculation or assessment	Quantitative and qualitative <ul style="list-style-type: none"> • Simple count of total number of investigations conducted
5. Means of verification	<ul style="list-style-type: none"> • Approved memorandum • Inspection certificates • Acknowledgement of rights • Investigation reports
6. Assumptions	Cooperation from registrants and consumer interest to lodge complaints.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly and annually
11. Desired performance	Improved compliance with the Act and consumer redress
12. Indicator responsibility	Managers: Investigations & Enforcement, Complaints and Credit Provider Compliance

Items	Guide
1. Indicator title	Enforcement action taken on a percentage (%) of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt where necessary by the end of the financial year.
2. Definition	Taking enforcement action against alleged non-compliance with the Act.
3. Source of data	<ul style="list-style-type: none"> • Investigation reports • Media reports
4. Method of calculation or assessment	<p>Quantitative</p> <p>Total number of investigations conducted on credit providers relating to reckless lending and/or collection of prescribed debt for the whole year (where contraventions were found)</p> <hr/> <p>430 (set target) investigations conducted on reckless lending and/or collection of prescribed debt for the whole year</p> <hr/> <p>= Total percentage (%) of enforcement action taken</p>
5. Means of verification	<ul style="list-style-type: none"> • Instructional letters • Compliance notices • Referrals to NCT • Refunds to consumers • Write-off of consumer accounts • Court applications and affidavits • Court judgments/orders
6. Assumptions	There will be evidence of alleged contraventions.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Percentages and numbers
10. Reporting cycle	Quarterly and annually
11. Desired performance	Improved compliance with the Act and consumer redress
12. Indicator responsibility	Managers: Investigations & Enforcement, Complaints and Credit Provider Compliance

Items	Guide
1. Indicator title	Number of consumer education and awareness campaigns and activities conducted on deceptive and unfair practices and consumer rights.
2. Definition	Improving education awareness on the deceptive and unfair credit practices and consumer rights.
3. Source of data	<ul style="list-style-type: none"> • Complaints received; • Investigations conducted; • Statistics; • Legislative & policy changes; • Media; • Stakeholder engagements.
4. Method of calculation or assessment	Quantitative
5. Means of verification	<ul style="list-style-type: none"> • Media briefs • News clippings • Interviews clips • Campaign reports • Email notifications for interviews conducted • Presentations • Attendance registers
6. Assumptions	Cooperation by stakeholders and that consumers will be interested in the campaigns and activities and understand the messages.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly and annually
11. Desired performance	To increase the level of public awareness on deceptive and unfair credit practices.
12. Indicator responsibility	Manager: Education & Communication

Items	Guide
1. Indicator title	Number of credit bureaus monitored.
2. Definition	To monitor compliance by credit bureaus.
3. Source of data	<ul style="list-style-type: none"> • Form 43 annual reports • Credit bureau audited reports • Compliance monitoring plan • Media reports • Complaints evaluation reports
4. Method of calculation or assessment	Quantitative
5. Means of verification	<ul style="list-style-type: none"> • Compliance monitoring reports • Correspondence to and from credit bureaus • Attendance registers
6. Assumptions	Co-operation by credit bureaus
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly and Annually
11. Desired performance	Improved compliance with the Act
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	Enforcement action taken on a percentage (%) of monitored non-compliant credit bureaus where necessary by the end of the financial year.
2. Definition	Taking enforcement action on non-compliant credit bureaus.
3. Source of data	<ul style="list-style-type: none"> • Form 43 annual reports • Proactive sourcing of information • Complaints received • Anonymous tip-offs • Media reports
4. Method of calculation or assessment	Quantitative Total number of monitored non-compliant credit bureaus <hr/> Total number of monitored credit bureaus = Total percentage (%) of non-compliant credit bureaus
5. Means of verification	<ul style="list-style-type: none"> • Instructional letters • Compliance notices • Referrals to NCT
6. Assumptions	There will be evidence of alleged contraventions.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Percentages and numbers
10. Reporting cycle	Quarterly and Annually
11. Desired performance	Improved compliance with the Act
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	Number of annual compliance reports certified by an independent submitted by registered credit bureaus and enforcement action taken where necessary on credit bureaus that failed to submit by the due date (15 March).
2. Definition	To monitor compliance by credit bureaus.
3. Source of data	<ul style="list-style-type: none"> • Form 43 annual reports • Credit bureau audited reports • Compliance monitoring plan
4. Method of calculation or assessment	Quantitative
5. Means of verification	<ul style="list-style-type: none"> • Letters of undertakings • Instructional Letters • Compliance requirements letter sent to credit bureaus requesting information • Audit confirmation reports from credit bureaus
6. Assumptions	Credit bureaus will submit as per timelines stipulated in the Act.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Percentages and numbers
10. Reporting cycle	Quarterly and Annually
11. Desired performance	Improved compliance with the Act
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	% of received registered credit bureau annual compliance reports certified by an independent auditor for the previous financial year evaluated.
2. Definition	The indicator seeks to highlight non compliances identified by the auditors of credit bureaus.
3. Source of data	<ul style="list-style-type: none"> • Credit bureau audited reports • Form 43 annual reports
4. Method of calculation or assessment	Qualitative and quantitative
5. Means of verification	<ul style="list-style-type: none"> • Received credit bureaus audited reports • Received completed Form 43 returns from credit bureaus • Referral memos to investigations department • Compliance notices issued; • Annual compliance review reports; • Approved internal memos.
6. Assumptions	The reports contain correct information as required by the Act.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Percentages and numbers
10. Reporting cycle	Quarterly and Annually
11. Desired performance	Improved compliance with the Act
12. Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
1. Indicator title	Enforcement action taken where necessary by end of the financial year.
2. Definition	Taking enforcement action on non-compliant credit bureaus.
3. Source of data	<ul style="list-style-type: none"> • Annual Compliance reports (Form 43) • Credit Bureau audited reports • Compliance monitoring plan • Media reports • Anonymous tip-offs
4. Method of calculation or assessment	Qualitative and quantitative
5. Means of verification	<ul style="list-style-type: none"> • Annual compliance review reports • Instructional letters • Compliance notices • Referral to NCT
6. Assumptions	There will be evidence of alleged contraventions.
7. Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
8. Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
9. Calculation type	Numbers
10. Reporting cycle	Quarterly and Annually
11. Desired performance	Improved compliance with the Act
12. Indicator responsibility	Manager: Credit Bureau Compliance

NCR

National Credit Regulator



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127 - 15th Road Randjespark Midrand

NCR Reception: 011 554 2700

NCR Call Centre: 0860 627 627 / 0860 NCR NCR

Website: www.ncr.org.za

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