



ANNUAL PERFORMANCE PLAN 2025/26–2027/28



NCR
National Credit Regulator



Abbreviations

AA	Accounting Authority	MACR	Movable Asset Collateral Registry
AI	Artificial Intelligence	MANCO	Management Committee
APP	Annual Performance Plan	MFSA	Microfinance South Africa
BankSETA	Banking Sector Education and Training Authority	MOLD	Maintenance Online Listing of Defaulters
B-BBEE	Broad-Based Black Economic Empowerment	MoU	Memorandum of Understanding
CEO	Chief Executive Officer	MTDP	Medium-Term Development Framework
CFO	Chief Financial Officer	MTEF	Medium-Term Expenditure Framework
CIF	Credit Industry Forum	NCA	National Credit Act
COVID-19	Novel Corona Virus Disease	NCR	National Credit Regulator
CPB	Consumer Profile Bureau	NCT	National Consumer Tribunal
CSD	Central Supplier Database	NFO	National Financial Ombud Scheme South Africa
DC	Debt Counsellor	NIPF	National Industrial Policy Framework
DCEO	Deputy Chief Executive Officer	OMIS	Operational Management Information System
dtic	Department of Trade, Industry and Competition	PDA	Payment Distribution Agent
EA	Executive Authority	PFMA	Public Finance Management Act
ESG	Environmental, Social and Governance	PPR	Preferential Procurement Regulations
EXCO	Executive Committee	QCTO	Quality Council for Trades and Occupation
GDP	Gross Domestic Product	SACCRA	South African Credit and Risk Reporting Association
GNU	Government of National Unity	SAPS	South African Police Service
HSRC	Human Sciences Research Council	SCM	Supply Chain Management
ICCR	International Committee on Credit Reporting	SDG	Sustainable Development Goal
ICT	Information Communication and Technology	SMME	Small, Medium and Micro Enterprise
IFC	International Finance Corporation	SONA	State of the Nation Address
IFWG	Intergovernmental Fintech Working Group	SP	Strategic Plan
IMF	International Monetary Fund	TID	Technical Indicator Description
J-KPI	Joint Key Performance Indicator	SIR	Fifth 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

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Executive Authority Statement



The annual performance plan (APP) of the National Credit Regulator (NCR) identifies the outputs, output indicators and targets that the NCR aims to achieve in the medium-term expenditure framework (MTEF) period. The executive authority (EA) is responsible for providing direction on the strategic priorities of entities in line with their respective mandates, and to ensure the APP is aligned to government's priorities.

The environment in which the planning processes (APPs and SPs) of the Department of Trade, Industry and Competition (the dtic) and its entities have been formulated remains challenging.

In addition to an improved regulatory environment and enforcement of the NCA, the focus of the NCR is the 2025/26 period will include:

- Developing an educational strategy in enabling a financially literate consumers.
- Establishing financial sustainability of the entity
- Creating an innovative, collaborative and resilient workforce

In the **dtic** context specifically, the NCR's activities are geared to help achieve the group's 9 output targets. These includes the increased employment opportunities in sustainable job creation and retention, economic transformation in supporting SMMEs and skills for the economy by enabling financial literacy through the Education strategy.

The strategies and tactics encapsulated in this APP are intended to further align the work of the NCR to meet the **dtic** common objectives through the implementation of the Regulator's governing legislation. In addition, the NCR has established a third programme on sustainability and Environment, Social and Governance to ensure the highest level of ethical service delivery. As such, the APP contains new additional objectives with increased focus on implementation and integration, to enhance the developmental impact of its work.

The APP 2025/26 is hereby submitted in accordance with the Framework on Strategic and Annual Performance Plans.

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

Date: **08 April 2025**

Deputy Minister's Statement



In a country with high inequality such as ours, access to fair credit facilities is crucial in ensuring that we have responsible credit granting and use, while also fostering redress. The National Credit Regulator's commitment to establish a business credit and risk reporting ecosystem for South Africa that will facilitate sharing of credit business information to enhance the visibility lenders have of small businesses is a critical intervention towards this.

Understanding that credit information sharing is crucial to inclusive growth, the NCR will continue its efforts to launch a public credit registry capable of supporting macroprudential supervision and risk monitoring, macroprudential supervision and financial stability, policy formulation, as well as research and analytics.

This Strategy Plan highlights how, in the next five years, the NCR will focus on meeting its policy objectives as contained in the National Credit Act. This will be done against the backdrop of the strategic priorities of the 7th Administration. These are **inclusive growth and job creation, reducing poverty and tackling the high cost of living and building a capable, ethical and developmental state**, resulting in an inclusive economy and ensuring improved impact of public policies.

The dtic family pledges its support to the NCR as we join hands in the task to facilitate growth and prosperity in South Africa, understanding that each of our entities has a targeted role to play in bringing about the much needed economic transformation and access to opportunities.


Mr Zuko Godlimpi, MP

Deputy Minister of Trade, Industry and Competition

Date: 08 April 2025

Accounting Officer Statement



Whilst the previous five-year strategic period of 2020 to 2024 was sadly disrupted by the COVID-19 pandemic, it highlighted and exacerbated South Africa's deep-rooted and persistent socioeconomic inequalities.

Even through these unprecedented times, the NCR demonstrated resilience and achieved many of its strategic outcomes. Activities to produce the desired outputs were executed through an evolving hybrid approach incorporating swift transitioning towards technology.

The previous financial year highlights the NCR's resilience, with key accomplishments including:

NCR Functional Area	Key Accomplishment
Corporate Governance	The NCR maintained a clean audit report for the year, continuing its record of sound financial management since 2007.
Registrations	The NCR registered a total of 1,904 new credit providers and debt counsellors. This is significantly higher (27%) than the new registrations of 1,501 in the previous year.
Credit Provider Compliance	Compliance monitoring led to an increase in statutory report submissions, with 127 816 consumers receiving over R94 million in refunds for overcharged fees.
Credit Bureau Compliance	11 on-site compliance visits, one desktop review, and 16 compliance meetings were held, alongside monitoring of periodic regulatory submissions.
Consumer Education and Communication	1 597 consumer education initiatives were conducted, a significant increase from 361 in the previous year.
Complaints	47.69% of 1,950 complaints were resolved in favour of the complainant, securing over R2.4 million in refunds and adjustments for consumers.
Statistics and Research	Two research projects were completed, focusing on vehicle finance and the impact of loadshedding on the consumer credit market.
Debt Counselling	The year focused on skills development, updating training materials, and hosting 30 webinars for debt counsellors and payment distribution agencies.
Risk and Audit Services	The NCR appointed a Risk and Audit Services Manager and approved the newly developed risk management and combined assurance policy frameworks. This signifies a continuous effort to strengthen the governance and risk management process by establishing a holistic way to manage risk and increase levels of assurance within the NCR's risk controls.
Investigations and Enforcement	Eighteen investigations uncovered illegal practices related to consumer loan enforcement, in collaboration with SAPS.

Accounting Officer Statement (continued)

The year 2024 also saw the outcomes of the general election which resulted in the formation of the Government of National Unity (GNU). A new approach was introduced to shift from activities to impact targets. The objective was to combine all the dtic's and its entities' efforts towards creating real impact for South Africans. The dtic introduced 10 core output targets and the NCR will make a contribution to 5 of these core outputs. These focus areas were aligned to the three strategic priorities introduced by the dtic: Inclusive growth and job creation; reduced poverty and tackle the high cost of living and building a capable, ethical and developmental state.

Over the past two decades the NCR has been able to enforce the National Credit Act, No. 34 of 2005 (NCA) in

promoting a fair and non-discriminatory credit market. There are further opportunities to enhance protections for vulnerable consumers against predatory lenders and to foster the creation of opportunities for SMMEs.

The NCR will continue to build on the two existing strategic programs on improving the regulatory environment and ensuring the enforcement of the NCA, with the addition of the third programme on sustainability and ESG, whilst enhancing the NCR operational plan to improve on the day-to-day operations of the entity aligned to the Medium-Term Development Plan (MTDP) Priority 3: Build a capable, ethical, and developmental state. The regulator will continue its strategic focus on the following three programs.

PROGRAMME 1:

Improved regulatory environment

- *Impact statement:* Improved regulatory environment, which promotes economic growth through educational awareness and facilitation of job creation to reduce poverty and tackle the high cost of living.
- *Alignment to the Medium-Term Development Plan (MTDP):* Priority 1: Inclusive growth and job creation and Priority 2: Reduce poverty and tackle the high cost of living.

PROGRAMME 2:

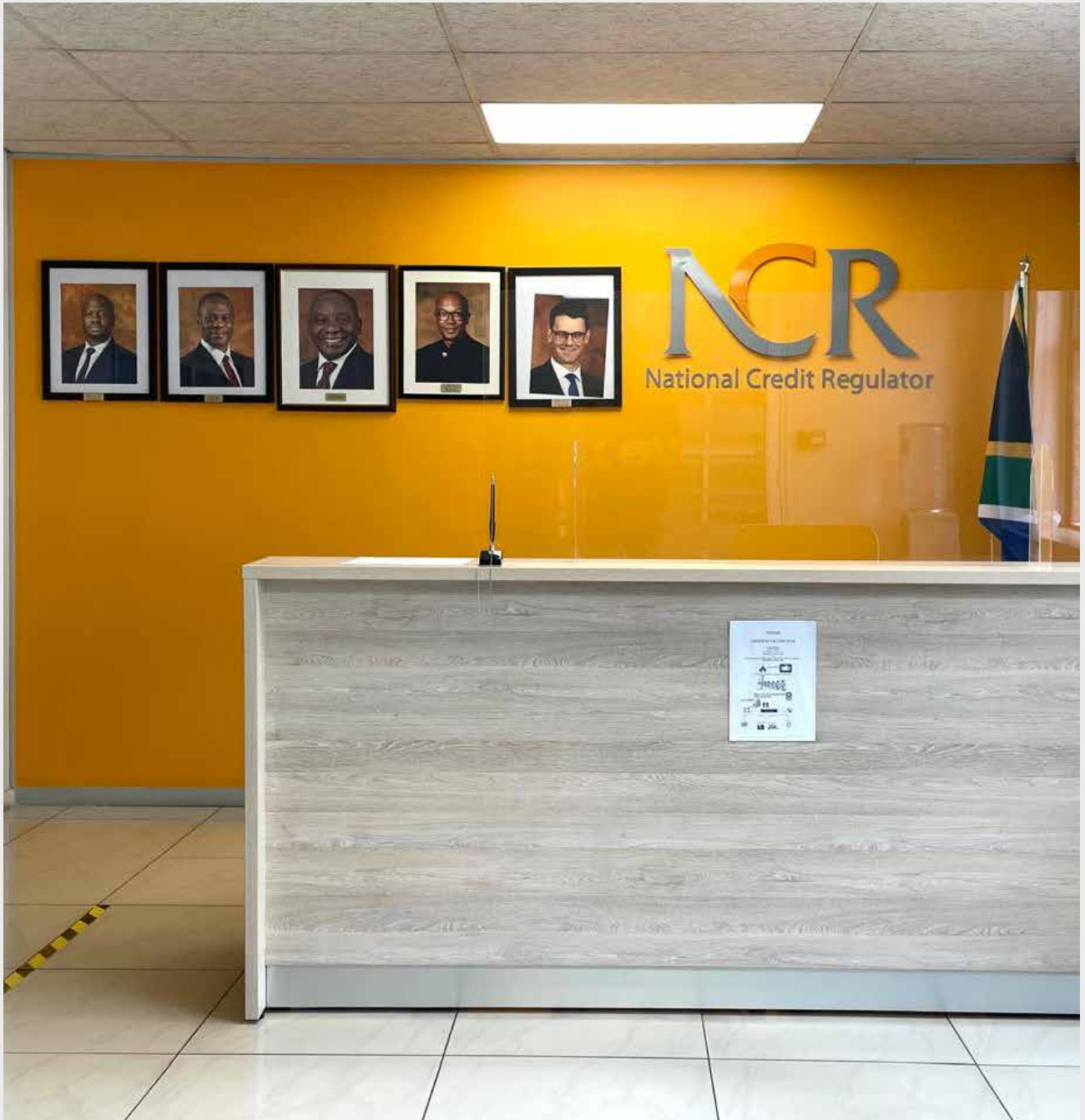
Enforcement of the NCA

- *Impact statement:* A fair, responsible and accessible consumer credit market promoted.
- *Alignment to the Medium-Term Development Plan (MTDP):* Priority 3: Build a capable, ethical and developmental state.

PROGRAMME 3:

Sustainability, Environmental, Social and Governance

- *Impact statement:* Improved long-term value whilst minimising our ecological footprint, fostering inclusive communities, and ensuring the highest level of ethical service delivery.
- *Alignment to the Medium-Term Development Plan (MTDP):* Priority 3: Build a capable, ethical and developmental state.



Accounting Officer Statement (continued)

With obstacles to finance which remain a significant constraint on economic development, the work of the National Credit Regulator has become more crucial than ever. In the strategic period ahead, we will continue the valuable work undertaken on financial inclusion to ensure that individuals and businesses have access to useful and affordable credit.

The NCR is a dtic agency and our planning efforts are aligned to those of the dtic towards creating real impact for South Africans. The NCR contributes to the dtic economic cluster target goals that will see an impact towards job creation, SMME support, work experience provided, support to subsistence farmers, transformation, and red-tape reduction.

Economic growth must be underpinned by a stable and well-regulated credit sector, driven by proactive, adaptive regulation, effective supervision, and robust enforcement. Our focus in the period ahead will see the NCR reviewing legislation and proposing amendments to the Minister of the dtic in line with the dtic's five-year strategic target. The review of legislation seeks to establish regulation and supervision to drive positive credit market outcomes. We will continue to support the transformation of the credit sector to ensure it aligns with and effectively serves the diverse needs of the society it operates within.

The NCR will continue to nurture and forge strategic relationships that have a positive impact for the African continent and the world. As a member of the International Committee on Credit Reporting (ICCR), the only recognised standard setting body in credit reporting, the NCR undertook a cooperation agreement with the International Finance Corporation

(IFC) in 2021 to help strengthen the development of the credit reporting ecosystems in South Africa, fostering responsible access to finance and contributing to financial stability. We will continue implementing the valuable work undertaken by this agreement.

The NCR is a recognized leader in credit regulation and will continue to share relevant best practice with central banks and regulators from around the globe. We will also continue to nurture and forge strategic relationships that have positive impacts for the African continent and the world.

The Executive Committee is fully equipped to ensure the entity successfully fulfils its mandate. In partnership with a highly capable management team and dedicated personnel, we are committed to achieving our objectives and fostering a credit sector that delivers optimal outcomes for all stakeholders.

I thank the members of the Audit and Risk Management Committee for providing oversight, the former and current ministers of Trade, Industry and Competition, Honorable Mr Ebrahim Patel, and Honorable Mr Parks Tau, the dtic, and the Portfolio Committee on Trade, Industry and Competition for their guidance and support, both past and future.



Ms Lynette De Beer CA(SA)

Acting Chief Executive Officer & Accounting Authority,
National Credit Regulator

Date:

Official sign-off

It is hereby certified that this annual performance plan:

Was developed by the management of the National Credit Regulator under the guidance of Ms Lynette De Beer;

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 2025/26-2027/28 period.

Mr Ngoako Mabeba

Acting Company Secretary

Signature



Ms Phillipine Mweli

Acting Chief Financial Officer

Signature



Ms Lynette De Beer

Acting Chief Executive Officer

Signature



Approved by:

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

Signature





PART A

OUR MANDATE

Our Mandate

1. Updates to relevant legislative and policy mandates

The National Credit Regulator (NCR) is established by the National Credit Act (NCA), 2005 (Act No. 34 of 2005). It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and the enforcement of the National Credit Act (NCA), 2005 (Act No. 34 of 2005).

In terms of the Public Finance Management Act (PFMA), 1999 (Act No. 01 of 1999), the National Credit Regulator (NCR) is a Schedule 3A public entity. 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 reorganization in cases of over-indebtedness.
- Provide for registration of credit bureaus, credit providers, debt counsellors, payment distribution agents and alternative dispute resolution agents.
- Establish national norms and standards relating to consumer credit.
- Promote a consistent enforcement framework relating to consumer credit.
- Establish the NCR and the National Consumer Tribunal (NCT); and
- Promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective, and accessible credit market, and industry.

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

- Promoting informal resolution of disputes between consumers and credit providers, credit bureaus and/or debt counsellors.
- Receiving complaints regarding contraventions of the NCA.

- Monitoring the consumer credit market and industry to prevent, detect and/or prosecute contraventions.
- Investigating and evaluating alleged contraventions of the NCA.
- Issuing and enforcing compliance notices in respect of contraventions.
- Negotiating and concluding undertakings and consent orders as a means of resolving consumer complaints; and
- Referring matters to the NCT for adjudication.

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

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

The NCR promotes public awareness around consumer credit matters by:

- Conducting consumer education and awareness activities.

The NCR is also mandated to advise the Minister of Trade, Industry and Competition on matters of national policy relating to consumer credit on the determination of national norms and standards regarding consumer protection.

The NCR further derives its policy mandate from the policies of its responsible department, the Department of Trade, Industry and Competition. The 7th Administration has placed a strong focus on industrialization in order to contribute to the targets as set out in the National Development Plan.

Since the launch of the National Industrial Policy Framework (NIPF), the dtic and other government departments together with the social partners implemented industrial policy interventions across priority sectors in the economy.

Our Mandate (continued)

The National Industrial Policy aims to foster industrial growth and transformation of the economy thereby ultimately growing much needed jobs for the benefit of the South African citizens. It does so through driving three missions of decarbonisation, digitalization, and diversification to help us achieve the vision of the Industrial Policies and the National Development Plan.

The Industrial Policy seeks to build a new model of growth and economic inclusion that unites South Africans in the economy and promotes inclusive industrial, geographical, and demographic transformation. Coupled with this is the focus on gender sensitive industrialisation looking to enhance participation of women in economic activities by removing barriers to entry.

The task facing policy makers is to create regulations and conditions that provide opportunities for enterprises in the informal sector as well as SMMEs (with a focus on women) to grow and contribute positively to the economy. The National Credit Regulator plays a crucial role in developing these regulations based on conducted research and studies of the credit market that may facilitate access to financing instruments.

The NCR's strategic focus will be on establishing a business credit and risk reporting ecosystem for South Africa that will facilitate sharing of credit business information to enhance visibility of small businesses by lenders.

Credit information sharing is crucial to inclusive growth and the NCR will continue to focus on establishing a public credit registry. The public credit registry aims to support microprudential supervision and risk monitoring, macroprudential supervision and financial stability, policy formulation, and research & analytics.

2. Updates to institutional policies and strategies

Following the National Treasury instruction dated 25 February 2022 to suspend all procurement processes based on the Constitutional Court judgement issued on 16 February 2022 in the matter between the Minister of Finance and

Afribusiness regarding the 2017 Preferential Procurement Regulations, the NCR has revised its supply-chain management (SCM) policies and has continued to implement the Preferential Procurement Regulations, 2022 (PPR 2022), in all its procurements projects.

The following institutional policies were reviewed and updated:

- Unidentified and Undistributed Funds Policy
- Workplace Harassment Policy
- ICT Portfolio Management Framework
- ICT Strategy and Enterprise Architecture
- Supply Chain Management Policy
- Supply Chain Management Procedure Manual
- Performance Information Policy
- Fraud Prevention Policy and Plan
- Occupational Health and Safety Policy
- Statistics and Research Policy
- Registration Policy
- Investigations and Enforcement Policy
- Petty Cash Policy
- Expenditure and Accounts Payable Policy
- Budget and Reporting Policy
- Month-end Policy

The following has been identified as focus areas for newly developed institutional policies and/or frameworks:

- Enhancement of educational activities relating to debt counselling to provide prospective debt counsellors with in-depth theory and practical training that will prepare them for the debt counselling profession.
- The development of a financial educational plan that will improve consumer financial literacy.
- Development of frameworks, policies, and tools to implement a formal loss control function.
- Development of certain plans/frameworks/strategies/models relevant to improved operations which includes an Entity Operational Plan, Reporting Framework, Compliance Framework, Stakeholder Engagement Strategy, Records Management Framework and Policy, ESG Framework, and Funding Model.

3. Relevant court rulings

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

No.	Matter name	Court and case reference number	Legal issues and status
1.	MFSA vs the Minister of Trade and Industry and the NCR	North Gauteng High Court Case No 59612/17	The MFSA applied to the High Court to review the cost of credit life insurance on short-term loans. Matter postponed indefinitely until review is finalised.
2.	Bridge vs NCR	North Gauteng High Court Case No 87768/14	Bridge applied to the High Court for an order declaring sections 55 and 57 of the NCA which grants the NCR powers to issue compliance notices, unconstitutional. Application suspended pending finalisation of a liquidation application filed against Bridge. Liquidation against Bridge dismissed. NCR awaits the judgement from the Supreme Court of Appeals.
4.	BMW vs NCR	National Consumer Tribunal NCT/93829/2017/56(1) A288/2021	Investigations were conducted regarding the charging of on the Road fee to customers by the Dealerships and Banks, respectively. Judgment was granted against the NCR on 20 January 2023, and the NCR has appealed against the judgment. Leave to appeal awarded in favour of the NCR on 12 June 2023 – Appeal filed in SCA and set down for 22 August 2024. Appeal argued 22 August 2024, judgement reserved.
5.	VW vs NCR	Tribunal Case No: NCT/94937/2017/56(1) Pretoria High Court: A104/19	Investigations were conducted regarding the charging of on the Road fee to customers by the Dealerships and Banks, respectively. Judgment was granted against the NCR on 20 January 2023, and the NCR has appealed against the judgment. Leave to appeal awarded in favor of the NCR on 12 June 2023 – appeal filed in SCA and set down for 22 August 2024. Appeal argued 22 August 2024 and judgement reserved.
6.	Mercedes Benz vs NCR	Tribunal Case No: NCT/107156/2018/56(1)	Investigations were conducted regarding the charging of on the Road fee to customers by the Dealerships and Banks, respectively. Judgment was granted against the NCR on 20 January 2023, and the NCR has appealed against the judgment. Leave to appeal awarded in favor of the NCR on 12 June 2023 – appeal filed in SCA and set down for 22 August 2024. Appeal argued 22 August 2024 and judgement reserved.
8.	CMR Group (Pty) Ltd (In Liquidation) vs NCR	Tribunal: NCT/119696/2018/57(1) PTA High Court Case number A351/2019 Special Leave to Appeal Case number 9420/2021	An Investigation on reasonable suspicion was conducted by the NCR and the following contraventions were noted as: Failure to conduct affordability assessments, extending reckless credit; overcharging cost of credit i.e., interest; prohibited charges. Matter set down for hearing on 21 February 2024. Bill taxed and monies paid to the NCR and file to be closed.

Our Mandate (continued)

No.	Matter name	Court and case reference number	Legal issues and status
9.	Dacqup Trading t/A ABC Financial Services	Tribunal: NCT/127619/2019/57(1) Appeal PTA High Court: A333/19 Supreme Court of Appeal: 382/2019	An investigation was conducted by the NCR based on reasonable suspicion that the entity to have failed to conduct proper affordability assessments, engaged in reckless credit granting, charged cost of credit not in line with the provisions of the Act, failed to provide pre-agreements in the prescribed form and the entity to have fallen foul of the required advertising practices. The NCT found the Respondent to have repeatedly committed prohibited conduct and imposed an administrative fine of R300 000.00 against the entity. Dacqup to be monitored as to compliance with Tribunal judgment. Opposed taxation date: 21 August 2024 Cost recovery. Bill of cost taxed in the amount of R103 402.39, payment of amount received on 8 October 2024. Matter deemed closed.
10	NCR vs Marylee Govender (DC)	Tribunal NCT/122481/2018/138(1)	The matter is regarding the DC having contravened and utilising unregistered debts counselors and placing consumers under debt review without consent. Matter is still pending.
11.	Asia Lamara vs NCR	Tribunal: NCT/102200/2018/57(1) Appeal PTA High Court: A15/2020	The NCR initiated an investigation against the Respondent on reasonable suspicions she was allowing unregistered agents to function as debt counsellors; failure to adhere to time periods; failure to make a determination in prescribed period; failure to refer matters timeously. Matter was referred to the NCT and NCT ruled in favor of the NCR. Proceeding with cost recovery and await date of taxation – bill of cost drafted and taxed. Asia Lamara cannot be found despite two tracers' attempts.
12.	Bongani Mnweba (DC) vs NCR	Tribunal: NCT/129993/2019/59(1) PTA High Court: 48175/2020	The NCR initiated an investigation against the Respondent on reasonable suspicions he was allowing unregistered agents to function as debt counsellors; failure to adhere to time periods; failure to make a determination in prescribed period; failure to refer matters timeously. Judgement in favor of NCR with costs. Mnweba provided until 6 July 2023 to make payment in terms of taxed amount – failed to adhere and letter of demand to be delivered by attorneys
13.	Option Deals vs NCR	Tribunal: NCT/128364/2019/140(1) Appeal PTA High Court A350/19	NCR referred Option Deals to the NCT for simulated transactions, in the form of credit agreements disguised as motor vehicle sale agreements coupled with lease agreements; granted reckless credit; overcharged costs of credit and did not follow prescribed collection procedures. Judgment granted in NCR's favor on 15 September 2019. Notice of withdrawal received from attorneys on record for Option Deals. Bill of cost drawn up by NCR and service attempts made. At this stage no risk for adverse cost order unless appeal is revived by Option Deals. Recommend closure of file.
14.	Xcelsior & another vs NCR	Tribunal: NCT/111201/2018/57(1) Review PTA High Court: 4350/2020	An Investigation on reasonable suspicion was conducted by the NCR and the following contraventions were noted as: Failure to conduct affordability assessments, extending reckless credit; overcharging cost of credit i.e., interest; prohibited charges. The NCR was successful in this matter, however Xcelsior proceeded to liquidate themselves as a credit provider with the view not to refund consumers.

No.	Matter name	Court and case reference number	Legal issues and status
15.	Sewatumong vs NCR	Tribunal: NCT/122491/2018/165 Review PTA High Court: 7996/2020	An Investigation on reasonable suspicion was conducted by the NCR and the following contraventions were noted as: Failure to conduct affordability assessments, extending reckless credit; overcharging cost of credit i.e., interest; prohibited charges. Sewatumong withdrew application and costs awarded ifo NCR. Bill of costs drafted for taxation, then file can be closed. Sewatumong placed under sequestration – to serve copies of taxation on trustees for payment. Sewatumong to rescind sequestration order
16	First Group Holdings v NCR	Tribunal: NCT/223375/2022/140 Appeal to HC Pretoria: A32/2023	Matter is regarding the interpretation of the Plascon Evans Rule, emanating from a point in limine only raised by first group during Tribunal proceedings on the 18th of January 2023. The Tribunal provided order in favor of the NCR 18 January 2023 and First Group filed an appeal on 08 February 2023. Matter heard in Pretoria High Court and an order was awarded against the NCR on 09 September 2023. NCR filed leave to further appeal on 09 October 2023 in High Court – matter heard on 28 November 2023. Judgement received and appealed by NCR. Currently awaiting SCA court date.
17	NCR vs Stelland Finansies	NCT/38718/2016/140(1)	An Investigation on reasonable suspicion was conducted by the NCR and the following contraventions were noted as: Failure to conduct affordability assessments, extending reckless credit; overcharging cost of credit i.e., interest; prohibited charges. Matter was heard on 29 May 2024 resulting in unfavourable judgement. Attorneys and counsel instructed on application for leave to appeal.



PART B

OUR STRATEGIC FOCUS

Our Strategic Focus

1. Situational analysis

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

a) State of the Credit Market – statistics relevant to the NCR and the sector

The national credit regulator (NCR) advances knowledge in the area of consumer credit in South Africa by doing research and providing statistics. The research and statistics department of the NCR created the following synopsis:

The total value of new credit granted increased marginally from R139.77 billion to R143.63 billion for the quarter ended September 2024, an increase of 2.77% when compared to the previous quarter and a 0.96% year-on-year. The number of applications for credit decreased from 16.95 million to 16.55 million in March 2024, representing a decrease of 2.39% for the quarter.

As at the end of September 2024, the banks' share of total credit granted was R113.89 billion (79.29%), Retailers R10.47 billion (7.29%), non-bank financiers R10.64 billion (7.41%) and "other credit providers" R8.63 billion (6.01%). The latter consists primarily of pension backed lenders, developmental lenders, micro-loan lenders, agricultural lenders, insurers, non-bank mortgage lenders and securitised debt.

The total outstanding gross debtors' book of consumer credit for the quarter ended September 2024 was R2.38 trillion, representing a quarter-on-quarter increase of 0.41%. The number of accounts increased by 2.31% for the quarter ended September 2024.

The following were some of the most significant trends observed for the quarter ended September 2024:

- The value of mortgages granted decreased by 0.79% quarter-on-quarter from R45.60 billion to R45.24 billion.
- Secured credit granted increased by 7.98% quarter-on-quarter from R44.61 billion to R48.18 billion.
- Unsecured credit agreements increased by 2.74% quarter-on-quarter from R22.50 billion to R23.12 billion.

- Credit facilities which consist mainly of credit cards, store cards and bank overdrafts decreased from R23.51 billion to R23.38 billion for September 2024 (a quarter-on-quarter decrease of 0.52%).
- Short-term credit increased quarter-on-quarter by 5.29% from R3.09 billion to R3.26 billion.
- Developmental credit increased quarter-on-quarter by 1.55% from R139.77 million to R143.63 million.

Credit bureaus held records for 28.32 million credit-active consumers, an increase of 0.61% (172 152) when compared to the 28.15 million in the previous quarter ended June 2024 and 3.30% (905 883) on year-on-year basis.

Consumers classified in good standing increased by 237 246 to 18.13 million consumers. The number of consumers with impaired records decreased by 65,094 to 10.19 million, this was a decrease of 0.63% quarter-on-quarter and an increase of 2.51% year-on-year.

The number of impaired accounts decreased from 20.77 million to 19.86 million when compared to the previous quarter, a decrease of 914,712 or 4.40% quarter-on-quarter and an increase of 497,937 or 2.57% year-on-year.

b) Challenges that NCR has experienced in the performance environment

The NCR's funding challenges continued due to fiscal constraints and low revenue generation. The latter stems from the fact that some credit providers, debt counsellors and credit bureaus stopped operating and cancelled their registration with the NCR. Furthermore, a number of credit providers (especially banks) closed branches due to digitization and cost-cutting needs. In addition, the fees that the NCR is legislated to bill registrants, have not been amended since 2016.

As a result of its funding challenges, the NCR's ability to develop much-needed ICT infrastructure is severely hampered and has serious consequences. The regulatory environment needs to be digitized as a matter of urgency given the increasingly sophisticated systems used by providers of consumer credit. The NCR's capacity constraints, aggravated by outdated policies and procedures, place the rising number of consumers in need of its services, at an unfair and unfortunate disadvantage. In addition, this results in poor consumer perceptions of the regulator.

Our Strategic Focus (continued)

Budgetary constraints furthermore impede staff recruitment and retention, which negatively impacts organisational stability, continuity, and culture. It also leads to an unhealthy level of dependence on consultants.

Lengthy litigation, which is the norm in the credit sector and requires sizable funding, is a further persistent challenge exacerbated by funding constraints. Matters referred to the NCT or the High Court are often challenged by either the NCR or industry players, resulting in costly legal processes.

The most notable non-financial challenge was different interpretations of the NCA that result in uncertainty regarding the regulatory framework.

c) **How the NCR addressed and will continue addressing the challenges over the medium-term period**

Notwithstanding the funding challenge, the NCR's approach is to ensure it can achieve the targets set in its strategic and annual performance plans by ensuring that it has capacity, that it makes the best use of available funds and through collaboration and cooperation with other regulators locally and internationally.

Furthermore, the NCR continued to operate within the cost containment measures without compromising efficiencies during 2024/2025. This manner of operation proves sustainable to enable the regulator to fulfil its mandate and achieve its targets, in the present and during the medium-term period ahead.

Our consumer education and awareness programmes will continue using online and digital platforms as well as face-to-face engagements. Given the success of webinars, the NCR will continue using webinars to support and capacitate debt counsellors. We will increase the use of internet platforms to monitor compliance, support and improve communication with debt counsellors, credit providers and PDAs. We will also work on automating data collection tools and strengthening internal statistics systems.

The NCR will continue looking at alternative ways of increasing its revenue, containing costs, and improving efficiencies.

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

The NCR has prioritised the following for the medium-term period:

INNOVATION TO IMPROVE REGULATORY ENVIRONMENT

Research and pilot project on Promoting Alternative Data:

Understanding that a variety of data can be used when assessing a consumer's creditworthiness, the NCR entered into a memorandum of agreement with the IFC to carry out a diagnostic study during 2022 to determine the nature of so-called alternative data available in the country. Examples are tenants' rental history and the record a small retailer builds up through a trading account with a wholesaler. The NCR and the IFC have since concluded a Phase 2 Cooperation Agreement aimed at promoting the adoption and usage of alternative data by integrating and completing on-going work initiated under the initial Phase 1. Under this agreement, the IFC will provide advisory services and technical assistance to the NCR for a wide range of activities, including the adoption of alternative data.

Key pieces of priority legislation amendment: The dtic has committed to review the NCA. The NCR will form an internal working group on the required amendments to the NCA. Ongoing guidance will be sought from the dtic on additional working groups in relation to the development of this project.

CRITICAL PENDING PROJECTS

Debt counsellors' qualification: The Debt Counselling Department has engaged the Quality Council for Trades and Occupation (QCTO) and BankSeta to explore the feasibility of developing an occupational qualification for debt counsellors. Given the complexity of the debt review process, the NCR requires that individuals successfully complete an NCR-approved debt counselling course before they can register with the regulator as a debt counsellor. The current qualification is a 10-day short course. With this project, however, the NCR aims to provide prospective debt counsellors with in-depth theory and practical training that will prepare them for the debt counselling profession. As a result, the standard of debt counselling services, the profession itself and, ultimately, the regulatory environment will improve.

The BankSeta has approved funding for the project and is in the process of procuring the services of a facilitator. This long-term project will run well into the next financial year.

Enforcing and listing maintenance court orders:

The NCR has been involved in a regulatory oversight and advisory capacity to help improve the efficiency of the maintenance system and ensure compliance with the credit reporting regulatory framework. The NCR has been working with the Department of Justice and Constitutional Development (the department responsible for maintenance courts) to provide guidance on the reporting of maintenance judgments to credit bureaus.

Known as the Maintenance Online Listing of Defaulters (MOLD) Project, it aims to ensure proper listing and accountability of maintenance defaulters. An MoU was signed between the Consumer Profile Bureau (CPB) and the Department of Justice on 1 November 2024 to formalise the collaboration.

STRATEGIC COLLABORATION AND COOPERATION

Existing relationships:

One of the critical lessons the NCR took from the pandemic is that through collective cooperation, all entities can enjoy better outcomes. The NCR will continue strengthening strategic relations with other regulators as well as its main stakeholders through the Credit Industry Forum (CIF); collaborate with the IFWG and other governmental bodies such as the Department of Small Business Development's Movable Asset Collateral Registry Committee (MACR); and participate in relevant international events. The NCR is a member of the World Bank's International Committee on Credit Reporting (ICCR) and is involved in various programs with the International Finance Corporation (a World Bank member) including advisory and technical assistance that is credit market related, and will be hosting the ICCR Spring Plenary Meeting in 2025 in South African

2. External environment analysis

The following issues in the external environment are relevant in informing the NCR's strategy:

a) Focus on economic recovery and reconstruction

South Africa's internal economy struggles with low growth, inequality, unemployment, and poverty persist and are exacerbated by geopolitical events. In addition to the ongoing war between Russia and Ukraine, Middle East tensions, including the Israel-Hamas war, risk drawing Africa into proxy conflicts. The potential impact on security, foreign investment and trade relationships is severe and will have a direct influence on the South Africa's efforts to rebuild its economy.

A counterpoint, however, was the free and fair elections that marked our 30th year of democracy, and the peaceful transfer of power to a government of national unity. In addition, economic recovery and reconstruction is greatly supported by the ongoing partnership between government and the private sector to address security of electricity supply, transport and logistics, and crime and corruption. Notable successes were achieved in the first phase of the partnership and ambitious targets have been set for the second phase, including a 3% growth rate and hundreds of thousands of new jobs by mid-2025.

The NCR will contribute to this regard (within its mandate) in support of the following 5 of the 10 dtic core output targets:

- Work experience
- SMME support
- Transformation
- Red tape reduction
- Subsistence Farmers

b) Socioeconomic conditions

In April 2024, the International Monetary Fund (IMF) projected global growth in 2024 and 2025 to hold steady at 3.2%, with median headline inflation declining from 2.8% at the end of 2024 to 2.4% at the end of 2025. In contrast, the institution downgraded its outlook for South Africa's growth in 2024 from 1.8% in October 2023 to 1% in January 2024 and 0.9% in April. Projections for 2025 have also been reduced by 0.1 percentage points to 1.2%, with projections through to 2029 pointing to only 1.4% growth at the close of the decade.

Our Strategic Focus (continued)

According to Statistics SA's September 2024 report, food inflation has slowed to 5.9%, compared to 11.5% two years ago. While this is good news, the Human Sciences Research Council's HSRC's National Food and Nutrition Security Survey, conducted from 2021 to 2023 and involving 34 500 households, indicated that South Africa faces a deepening malnutrition crisis. According to the survey, which was released in August 2024, more than 60% of households suffer some form of food insecurity and more than 40% are unable to afford nutritious items.

South Africa's repo rate is currently set at 8.25%, while the prime lending rate, which affects secured loans like mortgages, is around 11.75%. Over the past 12 months, the repo rate fluctuated between 7% and 8.25% as part of the South African Reserve Bank's efforts to control inflation.

As of the first quarter of 2024, South Africa's official unemployment rate stands at 32.9%, reflecting a slight increase from previous quarters. This translates to around 8.2 million individuals unemployed in the country, according to Stats SA.

Load shedding has been suspended since 26 March 2024. As of mid-October, the country has gone more than 200 days of uninterrupted power supply. Water supply, however, is coming under increased pressure, especially in Gauteng where Johannesburg, Tshwane and Ekurhuleni are experiencing severe water shortages. Key issues include mismanagement, outdated infrastructure, and escalating demand due to urbanization and population growth. Erratic rainfall due to climate change exacerbates the situation.

This poly-crisis reality leaves South African consumers in a precarious socioeconomic situation. As pressure on the average consumer shows little sign of abating, the NCR expects consumers to borrow more and buy more on credit. Furthermore, unethical players in the credit industry can be expected to take advantage of vulnerable and desperate consumers. This, in addition to an expected increase in the number of over-indebted consumers (in June 2024, private debt stood at 65.94% of GDP), will increase demand for the NCR's services. Over-indebtedness reduces disposable income, causing consumers to increasingly turn to debt for living expenses and hence sinking deeper into a downward debt spiral.

c) Fifth Industrial Revolution (5IR)

The Fifth Industrial Revolution (5IR) is expected to significantly transform the consumer credit market in South Africa by introducing a focus on human-centered technology, ethics, and sustainability. Building on the Fourth Industrial Revolution's advances in digitalization, AI, and data analytics, 5IR emphasizes personalized and ethical technology use, aimed at building deeper connections between humans and machines.

With 5IR technologies, credit providers can offer more tailored financial products. AI-driven insights allow for highly customised credit assessments, potentially extending financial services to previously underserved populations by better understanding individual credit behaviors and needs. This can improve credit accessibility for South Africa's diverse demographics, including those with limited credit histories, and ties in with the NCR's alternative data sources project.

5IR marks yet another leap forward in technology use in the consumer credit market. It opens up unprecedented opportunities and potential benefits to consumers, but also demands more than ever before of the NCR in terms of ICT infrastructure and skills. The regulator has to function at a different level to monitor new credit products and their marketing by credit providers, in order to protect consumers against debt traps, especially the most vulnerable groups (women and youth).

d) Strategic relationships

Engagement and collaboration with a wide range of local and international industry players and other bodies (private and corporate) is essential to the NCR's effectiveness and reach, and therefore relevant in informing the institution's strategy. Recently, the NCR concluded an MOU with the National Financial Ombud Scheme South Africa (NFO) to strengthen consumer protection collaborative efforts.

3. Internal environment analysis

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

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

The organisational structure of the NCR underpins its ability to implement its strategies and achieve desired outcomes. The Minister of Trade, Industry, and Competition appoints the CEO, who is granted the responsibilities of the accounting authority under Section 23(3) of the NCA. The CEO provides strategic leadership, oversees, and ensures the efficient and effective use of NCR's resources and ensures compliance with all of its legal requirements and reporting and financial accountability obligations, or as delegated to suitably qualified employees. The minister may appoint a person who is suitably qualified and experienced, as a deputy CEO (DCEO) to assist the CEO in carrying out the functions of the National Credit Regulator. In the absence of a DCEO, the NCR has temporarily appointed the executive senior legal advisor to assist the CEO in carrying out the functions of the NCR. The NCR's company secretary assists the accounting authority and CEO to ensure sound corporate governance. The company secretary also provides governance knowledge and guidance and ensures institutional integrity. The CFO assists with all aspects of strategic finance to ensure optimal resource utilization, informs funding sourcing, and provides guidance on sound financial practices. Information on its organisational structure, corporate governance and performance is found in the NCR annual report 2024/25.

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

Financial resources: Adequate funding is a factor that the NCR needs to consider, especially due to the recessionary economic conditions. Despite to cost-cutting measures and improved efficiencies [mentioned in point c) under situational analysis], the NCR was able to deliver against on its mandate. The regulator needs to continue finding innovative ways to augment the budget and new ways of working smarter in order to be able to execute our legislative mandate.

Human resources: Having people with the right skills on board is an important factor that determines the success of the NCR. Funding cuts experienced in recent years resulted in the NCR freezing some key positions, losing key personnel to the industry and not being able to attract suitable skills. To increase capacity and boost staff complement, we will continue to recruit interns to assist with, in particular, information communication technology.

Occupational health and safety: NCR is committed to keep its working environment safe for its employees. We have an Occupational Health and Safety Committee responsible for implementing the requirements of the OHS Act and to ensure that occupational health and safety training is conducted as and when required. We employ the services of an occupational health and safety consultant who is responsible for legal compliance and a working environment that is safe and meets basic health standards.

Digitisation of structure, systems, and processes: In order to improve operational efficiencies, the NCR embarked on automating its internal processes. In this regard, the NCR has as part of the cooperation agreement with the IFC, agreed to undertake an automation project that includes the development of a roadmap for the development or acquisition of an operational management information system (OMIS) that will assist the organisation in fulfilling its regulatory mandate.

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

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

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

Compliance with BBBEE legislation and best practice is vital. The NCR issues tenders based on the PPR 2022 and advertises new tenders on the e-tender portal and the website. Only suppliers who are registered on the Central Supplier Database (CSD) are used.

Our Strategic Focus (continued)

The National Credit Regulator complies with the Public Finance Management Act (PFMA) and the 2009 King IV Code of Governance Principles for South Africa (King IV Code) in as far as the Code can be applied to the NCR. The Executive Authority, the Minister of Trade, Industry and Competition and Parliament ensures that the NCR embraces good corporate governance practices.

4. Description of the planning process

Exco initiates the planning process by setting the organisational strategic direction. The dtic and ARMC play a pivotal role in that they review and provide inputs to the process. Workshops are then held between executive members and the management team to develop the Strategic Plan and Annual Performance Plan.

Management in turn engages with their respective team members to develop operational objectives which are in line with the business plan of the organisation. Upon approval of the strategic and operational objectives, all employees including executive management conclude annual performance contracts.



PART C

MEASURING OUR
PERFORMANCE

Measuring our Performance

1. Institutional programme performance information

1.1 Programme 1: Improved regulatory environment

1.1.1 Purpose of the programme: To improve education awareness, promote economic growth through combatting over-indebtedness and facilitation of job creation.

1.1.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium-term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Creating an enabling environment for companies through fast-tracking of legislation, other instruments, reducing red tape and unlocking bottlenecks.	Proposed amendments report.	A report on the proposed amendments of regulations.	New indicator	New indicator	New indicator	New indicator	Proposed regulations amendments report submitted to the dtic.	Commence the review of the NCA.	Proposed NCA amendments report submitted to the dtic.
Improved consumer protection through education and awareness of the NCA.	Consumer education and awareness of the NCA.	Number of consumer education programmes conducted in all provinces.	Conducted 1 382 consumer education and awareness campaigns and activities on consumer rights.	Conducted 1 469 consumer education and awareness campaigns and activities on consumer rights.	Conducted 1 597 consumer education and awareness campaigns and activities on the NCA	Conduct 1 400 consumer education and awareness campaigns and activities on the NCA.	Conduct 4 consumer education and awareness campaigns and activities on the NCA.	Conduct 4 consumer education and awareness campaigns and activities on the NCA.	Conduct 4 consumer education programmes in 4 provinces
Improved consumer protection through education on and awareness of the NCA.	Consolidated evaluation reports produced.	Number of evaluation reports produced on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	New indicator	New indicator	4 evaluation reports on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement, produced.	4 evaluation reports on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	Conduct an impact study on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	4 evaluation reports on activities related to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement	4 evaluation reports on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement
Improved NCA compliance by registrants.	Workshops conducted to support new registrants.	Number of workshops conducted to support new registrants.	New indicator	New indicator	New indicator	New indicator	Conduct four workshops to support new registrants.	Conduct four workshops to support new registrants.	Conduct four workshops to support new registrants.
Increased efficiency in registration of persons and entities to facilitate creation of job opportunities (red-tape reduction).	New persons and entities registered within the set timelines.	% of new persons and entities registered in the consumer credit market within six business days of receipt of signed proposed conditions and payment of registration fees.	98.12% applications were registered within nine business days of receipt of signed proposed conditions and payment of registration fees.	99.06% of applications were registered within eight business days of receipt of signed proposed conditions and payment of registration fees	98.64% of applications were registered within seven business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within six business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within six business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within six business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within six business days of receipt of signed proposed conditions and payment of registration fees.

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium-term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved regulatory environment	Circulars/ guidelines in relation to Sec 16 (1) (b) of the NCA issued.	Number of circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	New indicator	New indicator	New indicator	Four circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	Four circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	Four circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	Four circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.
	Impact study report produced.	Impact study report on the effect of total cost of credit and credit life insurance regulations on consumers and submit a final report to the dtic.	An impact study of limitations on fees and interest rates and credit life regulations and submit a final report to the dtic.	N/A	N/A	Conduct an impact study on regulations on limitations on fees and interest rates together with credit life regulations and submit report to the dtic.	N/A	N/A	Conduct an impact study on regulations on limitations on fees and interest rates together with credit life regulations and submit report to the dtic.
Improved economic growth and development through procurement of goods and services from SMMEs.	Qualifying purchase orders issued to SMMEs.	% of the total number of qualifying purchase orders issued to SMMEs.	New indicator	New indicator	25% of the total number of purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of purchase orders issued to SMMEs.	75% of the total number of purchase orders issued to SMMEs.	75% of the total number of purchase orders issued to SMMEs.
Enabling access to comprehensive, consistent, validated data by closing the information gap between businesses and lenders.	Diagnostic study report produced.	Implementation of recommendations from the diagnostic study report.	New indicator	New indicator	New indicator	Produce a diagnostic study report on the establishment of business credit and risk reporting in South Africa.	Develop an implementation plan and commence with implementation of recommendations from the diagnostic report.	Continue implementation of recommendations from the diagnostic report.	Continue implementation of recommendations from the diagnostic report.
Central repository of credit information.	Report on the feasibility of establishing the register produced.	Implementation of recommendations from the feasibility study report.	New indicator	New indicator	New indicator	Produce and submit the report on the feasibility of establishing the register to the dtic.	Develop an implementation plan and commence with implementation of recommendations from the feasibility study report.	Continue implementation of recommendations from feasibility study report.	Continue implementation of recommendations from feasibility study report.
Institutionalised education strategy for the NCR	Approved education strategy	Development of the education strategy and plan.	New indicator	New indicator	New indicator	New indicator	Approved education strategy	Implementation of the education plan	Implementation of the education plan
Facilitate job creation	Learners/ Interns recruited in partnership with BankSETA.	Number of learners/ interns recruited in partnership with BankSETA.	New indicator	New indicator	New indicator	Recruit 10 learners/interns through BankSETA.	Recruit 10 learners/ interns through BankSETA.	Recruit 10 learners/ interns through BankSETA.	Recruit 10 learners /interns through BankSETA.

* Based on the estimated annual performance targets for 2024/25 financial year.

** The impact study on the effect of total cost of credit and credit life insurance review is conducted at intervals of no more than 3 years, in terms of the NCA.

Measuring our Performance (continued)

1.1.3 Output indicators: annual and quarterly targets

Output Indicator	Annual Target	Quarterly Milestones			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
A report on the proposed amendments of regulations.	Proposed regulations amendments report submitted to the dtic.	Establishment of review committee and to commence with the review.	Finalise report and submit to the dtic.	N/A	N/A
Number of consumer education programmes conducted in provinces.	Conduct 4 consumer education, awareness campaigns and activities on the NCA.	1	1	1	1
Number of workshops conducted to support new registrants.	Conduct 4 workshops to support new registrants.	1	1	1	1
% of new persons and entities registered in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 6 business days of receipt of signed proposed conditions and payment of registration fees.
Number of circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	Four circulars and/or guidelines issued in relation to Sec 16 (1) (b) of the NCA.	One circular and/or guideline issued in relation to Sec 16 (1) (b) of the NCA.	One circular and/or guideline issued in relation to Sec 16 (1) (b) of the NCA.	One circular and/or guideline issued in relation to Sec 16 (1) (b) of the NCA.	One circular and/or guideline issued in relation to Sec 16 (1) (b) of the NCA.
% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.	75% of the total number of qualifying purchase orders issued to SMMEs.
Implementation of recommendations from the diagnostic study report.	Develop an implementation plan and commence with implementation of recommendations from the diagnostic report.	Finalise the diagnostic study report and submit final report to the dtic	N/A	Develop an implementation plan of recommendations from the diagnostic study report	Commence implementation of recommendations from the diagnostic report
Implementation of recommendations from the feasibility study report.	Develop an implementation plan and commence with implementation of recommendations from the feasibility study report	Review and finalise the feasibility study report and circulate for comments from stakeholders.	Assessment of comments from stakeholders, produce a final report and submit to dtic.	Develop implementation plan and commence with implementation of recommendations from feasibility study report.	Continue implementation of recommendations from feasibility study report.
Development of the education strategy and plan.	Approved education strategy and plan.	Appoint a service provider to develop an education strategy and plan.	Align the NCR education strategy with the dtic education policy.	Draft education strategy.	Approved education strategy.
Number of learners/interns recruited in partnership with BankSETA.	Recruit 10 learners/interns through BankSETA.	N/A	N/A	Recruit 10 learners/interns through BankSETA.	N/A

1.1.4 Explanation of planned performance over the medium-term period

- a) To promote access to credit (financial inclusion), economic growth through educational awareness and facilitation of job creation through work experience
- b) Efficient registration processes lead to a reduction in red tape.
- c) Improved coverage with focus on major programmes conducted in provinces
- d) Activities conducted under this impact statement are linked and in support of the following 5 of the 10 dtic core output targets:
 - Work experience
 - MSMEs support.
 - Transformation.
 - Red-tape reduction
 - Subsistence farmers

1.1.5 Programme resource considerations

Economic classification	Audited Actual Expenditure outcome				Estimate expenditure	Medium-Term Expenditure Estimate				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Current payment Compensation of employees	R11.17m	R12.25m	R13.00m	R13.84m	R13.67m	R14.34m	R15.06m	R15.81m	R16.60m	R17.43m
Goods and services, etc.	R12.85m	R9.78m	R7.03m	R14.68m	R6.58m	R6.71m	R7.05m	R7.40m	R7.77m	R8.16m
Total	R24.02m	R22.03m	R20.94m	R28.52m	R20.25m	R21.05m	R22.11m	R23.21m	R24.37m	R25.59m

Measuring our Performance (continued)

1.2 Programme 2: Enforcement of the National Credit Act

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

1.2.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved compliance through enforcement of the NCA.	Investigations on credit providers conducted.	Number of investigations conducted on credit providers relating to the NCA.	490 investigations on credit providers were conducted by way of complaints evaluations, compliance monitoring and investigations.	442 investigations on credit providers were conducted by way of complaints evaluations, compliance monitoring and investigations.	575 investigations on credit providers were conducted by way of complaints evaluations, compliance monitoring and investigations.	Conduct 490 investigations on credit providers relating to the NCA.	Conduct 500 investigations on credit providers relating to the NCA.	Conduct 510 investigations on credit providers relating to the NCA.	520 investigations on credit providers relating to the NCA.
Improved compliance through enforcement of the NCA.	Enforcement action taken on non-compliance identified.	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance relating to the NCA by credit providers.	Enforcement action was taken on 96% of credit provider investigations on credit providers where contraventions relating to reckless lending were identified.	Enforcement action was taken on 96% of investigations on credit providers where contraventions relating to reckless lending were identified.	Enforcement action was taken on 93% of investigations on credit providers where contraventions relating to reckless lending were identified.	Take enforcement action on 80% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.
Improved compliance through enforcement of the NCA.	Investigations on debt counsellors conducted.	Number of investigations conducted on debt counsellors relating to compliance with the NCA.	New indicator	New indicator	610 investigations on debt counsellors were conducted by way of compliance monitoring, complaints evaluations and investigations.	Conduct 350 investigations on debt counsellors relating to compliance with the NCA.	Conduct 400 investigations on debt counsellors relating to compliance with the NCA.	Conduct 450 investigations on debt counsellors relating to compliance with the NCA.	Conduct 500 investigations on debt counsellors relating to compliance with the NCA.
Improved compliance through enforcement of the NCA.	Enforcement action taken on non-compliance identified.	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance with the NCA by debt counsellors.	New indicator	New indicator	Enforcement action was taken on 92% of investigations on debt counsellors where contraventions relating to the NCA were identified.	Take enforcement action on 80% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.	Take enforcement action on 80% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improve compliance through enforcement of the NCA.	Investigations on credit bureaus conducted.	Number of investigations conducted on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	3 investigations on hosting credit bureau investigations were conducted by way of compliance monitoring.	5 hosting credit bureaus investigations on hosting credit bureaus were conducted by way of compliance monitoring	5 hosting credit bureaus investigations were conducted by way of compliance monitoring	Conduct 83% of investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 6 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 6 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 6 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.
Improved compliance through enforcement of the NCA.	Enforcement action taken on non-compliance identified.	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance by credit bureaus.	100% enforcement action was taken. Three credit bureaus were found to be non-compliant and enforcement action was taken on two. The other credit bureau corrected the non-compliances before the enforcement action could be taken.	All credit bureaus were found to be compliant after monitoring was conducted.	*No opportunity to demonstrate. All credit bureaus were found to be compliant after investigations were conducted.	Take enforcement action on 85% of investigations which identified non-compliance by credit bureaus by end of the financial year.	Take enforcement action on 85% of investigations which identified non-compliance by credit bureaus by end of the financial year.	Take enforcement action on 90% of investigations which identified non-compliance by credit bureaus by end of the financial year.	Take enforcement action on 90% of investigations which identified non-compliance by credit bureaus by end of the financial year.
		% of evaluated credit bureau annual compliance reports certified by an independent auditor for the previous financial year.	Evaluated 100% annual compliance reports certified by an independent auditor by registered credit bureaus for the 2020 financial year.	Evaluated 100% annual compliance reports certified by independent auditors, submitted by registered credit bureaus for the 2021 financial year	Evaluated 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2022 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2023 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2024 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2025 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2026 financial year.

Measuring our Performance (continued)

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved compliance through enforcement of the NCA.	Enforcement action taken on non-compliance identified.	Enforcement action taken by the end of the financial year on percentage (%) of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.	All credit bureaus were found to be compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2022.	Enforcement action was taken on 100% of investigations on credit bureaus which were found to be noncompliant.	No opportunity to demonstrate. All credit bureaus were found to be compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.	Take enforcement action on 80% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2024.	Take enforcement action on 85% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2025.	Take enforcement action on 90% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2026.	Take enforcement action on 90% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2027.
Improved compliance with the NCA.	Reports on the impact of enforcements produced.	Number of reports produced on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	New indicator	New indicator	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year, produced.	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Impact study on the enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.

* Based on the estimated annual performance targets for 2024/25 financial year.

1.2.3 Output Indicators, annual and quarterly targets

Output Indicators	Annual Target	Quarterly Milestones			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of investigations conducted on credit providers relating to the NCA.	Conduct 500 investigations on credit providers relating to the NCA.	125	125	125	125
Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance relating to the NCA by credit providers.	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.	–	–	–	Take enforcement action on 85% of investigations which identified non-compliance with the NCA by credit providers by the end of the financial year.
Number of investigations conducted on debt counsellors relating to compliance with the NCA.	Conduct 400 investigations on debt counsellors relating to compliance with the NCA.	100	100	100	100
Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance with the NCA by debt counsellors.	Take enforcement action on 80% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.	–	–	–	Take enforcement action on 80% of investigations which identified non-compliance with the NCA by debt counsellors by the end of the financial year.
Number of investigations conducted on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements	Conduct 6 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 2 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 2 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 1 investigation on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.	Conduct 1 investigation on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.
Enforcement action taken by the end of the financial year on a percentage (%) of investigations that identified non-compliance by credit bureaus.	Take enforcement action on 85% of investigations that identified non-compliance by credit bureaus by end of the financial year.	–	–	–	Take enforcement action on 85% of investigations that identified non-compliance by credit bureaus by end of the financial year.
% of evaluated credit bureau annual compliance reports certified by an independent auditor for the previous financial year.	Evaluate 100% of annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2024 financial year.	Evaluate 100% of annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2024 financial year.	–	–	–
Enforcement action taken by the end of the financial year on percentage (%) of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.	Take enforcement action on 85% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year by 31 March 2025.	–	–	–	Take enforcement action on 85% of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for their previous financial year by 31 March 2025.
Number of reports produced on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	One progress report	One progress report	One progress report	One final report

* Based on the estimated annual performance targets for 2024/25 financial year

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

Measuring our Performance (continued)

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 actual expenditure estimate				Expenditure estimate	Medium-term expenditure estimate				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Current payment Compensation of employees	R65.29m	R54.51m	R66.56m	R70.89m	R73.56m	R32.50m	R34.12m	R35.83m	R37.62m	R39.50m
Goods and services, etc.	R25.29m	R38.30m	R43.70m	R28.61m	R45.79m	R6.10m	R6.41m	R6.73m	R7.06m	R7.42m
Payments of capital assets			R6.23m					0	0	
Building and other fixed structure Machinery and equipment	R9.89m	R9.10m		R7.10m	R8.35m	R0	R0			0
Total	R100.47m	R101.91m	R116.49m	R106.60m	R127.70m	R38.60m	R40.53m	R42.55m	R44.68m	R46.91m

1.3 Programme 3: Sustainability and Environmental, Social and Governance

1.3.1 Purpose of the programme: To improve financial stability whilst ensuring long-term success by balancing economic growth, environmental responsibility, and social wellbeing.

1.3.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium-term Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Proactive Management of ESG and Regulatory Compliance	ESG Strategy produced.	A strategy document produced.	New Indicator	New Indicator	New Indicator	New Indicator	Develop and produce ESG strategy document	Implementation of 20% of milestones	Implementation of 60% of milestones
Financial stability for the entity	Funding model produced.	A funding model document produced.	New Indicator	New Indicator	New Indicator	New Indicator	Develop, produce and submit a funding mode (grant, fees, other) proposal to the dtic	Implement other revenue streams identified from the funding model.	Continue implementation of Other Revenue streams identified from the funding model
An innovative, collaborative, and resilient workforce	Culture framework produced	A culture framework produced.	New Indicator	New Indicator	New Indicator	New Indicator	Develop and produce a Culture Framework and Implementation Plan	Implementation of 20% of milestones	Implementation of 60% of milestones

1.3.3 Output Indicators, annual and quarterly targets

Output Indicator	Annual Target	Quarterly Milestones			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
A strategy document produced	Develop and produce ESG strategy document.	Appointment and training of task team responsible for the development of the ESG strategy.	Commence development and produce a draft strategy	Organisational Awareness on ESG. Submission of the final ESG Strategy for approval	Approved ESG strategy document.
A funding model document produced.	Develop, produce and submit a funding mode (grant, fees, other) proposal to the dtic	Dtic related – approved document submitted to dtic for further assessment and approved Other income unrelated to the NCA – document processes/policies and obtain EXCO approval	As per dtic response Other income – 50% implemented	Approved Funding Model with income streams (Grant, Fees – dtic approval) Other income – 100% implemented	Approved Funding Model with income streams (Grant, Fees, Other)
A culture framework produced.	Develop and produce a culture framework and implementation plan	N/A	Draft culture framework.	Consultations with MANCO and EXCO.	Approved Culture Framework and Implementation Plan.

1.3.4 Explanation of planned performance over the medium-term period

- (a) Improved long-term value contributing to the highest standard of ethical service delivery.

1.3.5 Programme resource considerations

Economic classification	Audited actual expenditure outcome				Expenditure estimate	Medium-term expenditure estimate				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Goods and Services						38.26	40.17	42.18	43.83	45.51
Compensation of employees						48.74	51.18	53.74	56.43	59.25
Assets						10.25	10.76	11.30	11.87	12.46
Total						97.25	102.11	107.22	112.12	117.22

Measuring our Performance (continued)

2. Key strategic risks and mitigation

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

Outcomes	Key risk	Risk mitigation (action plans)
<ul style="list-style-type: none"> Improved regulatory environment Improved NCA compliance Established credit register institutionalised education strategy for the NCR Proactive Management of ESG and Regulatory Compliance Financial stability for the entity An innovative, collaborative, and resilient workforce 	Ineffective consumer protection	<ul style="list-style-type: none"> Pilot establishment of provincial offices. Obtain social and paid for Media Engage the dtic on the increase of budget. Develop funding model for revenue generation. Develop financial education plan for financial literacy.
	Inability to regulate the credit industry efficiently	<ul style="list-style-type: none"> Identification, compilation and submit recommendation to the dtic to amend the Act.
	Non-compliance to the NCA by registrants.	<ul style="list-style-type: none"> Update compliance forms as and when required. Obtain legislative amendment to empower the accounting authority to amend NCR Forms To create a portal for data capturing in order to digitize manual processes. Review of the NCR organogram. Develop funding model and engage the dtic on the increase of budget.
	Inability to set the narrative around the NCR mandate and purpose.	<ul style="list-style-type: none"> Appoint a service provider to develop an education strategy and plan. Align the NCR education strategy with the dtic education policy. Obtain draft education strategy for review and comments. Approval of the education strategy.
Proactive Management of ESG and Regulatory Compliance	Inability to connect the NCR mandate to a suitable sustainability development goal (SDG).	<ul style="list-style-type: none"> Appoint and train an ESG task team from within the NCR. Commence development and produce a draft strategy Organisational Awareness on ESG. Submission of the final ESG Strategy for approval
Financial stability for the entity	Inability to achieve financial sustainability within the entity.	<ul style="list-style-type: none"> Submit to the dtic the Fee Amendment Proposal based on the funding model proposals. Engage the dtic to create regular awareness of the need to amend the fees (including a request for the NCT to be able to control the fee increase annually). Engage E&Y to contribute to the desired outcome of the funding model proposal (fees should be sufficient to cover operating cost and be flexible to increase as cost increases or the entity expands).
An innovative, collaborative, and resilient workforce	Inadequate and insufficient human resource capacity to execute the mandate of the entity.	<ul style="list-style-type: none"> Develop a draft culture framework and implementation plan. Consultations with MANCO and EXCO on the draft documents. Approval of culture framework & Implementation plan.



PART D

TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

Technical Indicator Descriptions (TIDs)

Items	Guide
Indicator title	A report on the proposed amendments of regulations.
Definition	A report that proposes amendments to the National Credit Regulations 17, 18, 19, 23A, 24, 28, 29, 30, 31(4) and others.
Source of data	NCA, NCA Regulations, review studies and outcomes from the regulation review committee.
Method of calculation or assessment	Qualitative (Report).
Means of verification	A report on the proposed amendments of regulations.
Assumptions	The availability and cooperation of all relevant stakeholders.
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
Calculation type	Non-cumulative (year-end).
Reporting cycle	Annually
Desired performance	Enabling the ease of conducting business.
Indicator responsibility	Senior Legal Advisor Executive

Items	Guide
Indicator title	Number of NCA consumer education programmes conducted in all provinces
Definition	A measuring tool relating to the NCR consumer education programmes conducted on NCA.
Source of data	Documents on consumer education programmes conducted in provinces (indabas, media briefs, clips, email correspondence, links to podcasts/interviews, activity forms, attendance registers, meeting screenshots, minutes, notes, etc.).
Method of calculation or assessment	Quantitative – Simple count of consumer educations programmes.
Means of verification	Documents on consumer education programmes conducted in provinces (indabas, media briefs, clips, email correspondence, links to podcasts/interviews, activity forms, attendance register, meeting screenshots, minutes, notes, etc.).
Assumptions	Cooperation by stakeholders and consumers in the education programmes
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
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually
Desired performance	Increased level of public awareness of NCA in all provinces
Indicator responsibility	Manager: Education and Communication

Items	Guide
Indicator title	Number of evaluation reports produced on consolidated activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.
Definition	Measuring tool to measure impact on educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.
Source of data	Surveys, evaluation reports, interview reports, investigation reports.
Method of calculation or assessment	Qualitative
Means of verification	Surveys, evaluation reports, interview reports, investigation reports.
Assumptions	Availability/participation and contribution from internal departments.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Increased access to credit (financial inclusion), economic growth, and job creation.
Indicator responsibility	Manager: Education and Communication.

Items	Guide
Indicator title	Development of the education strategy and plan.
Definition	Education strategy to give structure to the NCR's delivery on education and awareness campaigns.
Source of data	NCA, Constitution, Financial Regulation Act, NCR Strategic Plan and APP
Method of calculation or assessment	Qualitative (actual education strategy)
Means of verification	Education strategy
Assumptions	Obtain suitable service provider and timeous completion of the project.
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
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually
Desired performance	Empowered consumers
Indicator responsibility	Manager: Education and Communication

Technical Indicator Descriptions (TIDs) (continued)

Items	Guide
Indicator title	Number of workshops conducted to support new registrants.
Definition	A measuring tool relating to workshops conducted in support of new registrants.
Source of data	NCA compliance and support documents relating to registration requirements, credit information, operating as a newly registered registrant, correspondence with registrants/potential registrants, attendance registers, meeting screenshots, minutes, notes, presentation slides, etc.).
Method of calculation or assessment	Quantitative – simple count of workshops conducted
Means of verification	Attendance registers, meeting screenshots, minutes, confirmations from hosts, etc.
Assumptions	Cooperation by stakeholders
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Improved level of NCA compliance by registrants
Indicator responsibility	Manager: Registration, Credit Bureau Compliance, Credit Provider Compliance, and Debt Counselling.

Items	Guide
Indicator title	% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.
Definition	Measuring tool to improve efficiency in the registration process of persons and entities.
Source of data	Reports from the registrations ICT system, signed imposed conditions of registrations and the finance ICT system.
Method of calculation	<p>Quantitative</p> $\frac{\text{Total number of persons and entities registered within 6 business days of receipt of signed proposed conditions and payment of registration fees}}{\text{Total number of persons and entities registered}} \times 100$ <p>= Total percentage (%) of new persons and entities registered.</p>
Means of verification	Reports on persons and entities registered (reports include the number of days taken to register), registration certificates and window decals.
Assumptions	An improved and efficient ICT system and/or increased capacity.
Disaggregation of beneficiaries (where applicable)	<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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.

Items	Guide
Desired performance	Improved efficiencies in registration which may lead to the establishment of new SMMEs and job facilitation.
Indicator responsibility	Manager: Registrations

Items	Guide
Indicator title	Number of circulars and/or guidelines issued in relation to Sec 16 (l) (b) of the NCA.
Definition	A tool to increase knowledge of the nature and dynamics of the consumer credit market industry.
Source of data	Circular and guidelines
Method of calculation	Quantitative – simple count
Means of verification	Circular/guidelines publications
Assumptions	Credit industry appetite
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Improved regulatory environment.
Indicator responsibility	Senior Legal Advisor: Executive

Items	Guide
Indicator title	Conduct an impact study of limitations on fees and interest rates and credit life regulations and submit a final report to the dtic.
Definition	A measuring tool to monitor the effects of limitations on fees and interest rates and credit life regulations.
Source of data	Credit agreements Investigation reports Credit insurance policies
Method of calculation	Qualitative (a report on the study conducted).
Means of verification	Impact study report
Assumptions	There will be sufficient and efficient resources
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
Calculation type	Cumulative (year-end).
Reporting cycle	Annually
Desired performance	Improved compliance with the Act and consumer redress.
Indicator responsibility	Manager: Statistics and Research.

Technical Indicator Descriptions (TIDs) (continued)

Items	Guide
Indicator title	% of the total number of qualifying purchase orders issued to SMMEs.
Definition	Measure of the percentage of qualifying purchase orders issued to SMMEs.
Source of data	Supplier proposal documents and internally created documents.
Method of calculation or assessment	Quantitative $\frac{\text{Total number of purchase orders issued to SMMEs.}}{\text{Total number of purchase orders issued.}} \times 100$ = Total percentage (%) of purchase orders issued to SMMEs.
Means of verification	GP reports on purchase orders and sworn affidavits/BBEEE certificates of the awarded suppliers.
Assumptions	There will be submissions from suppliers.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	75% of the total number of qualifying purchase orders issued to SMMEs.
Indicator responsibility	Manager: Supply Chain Management.

Items	Guide
Indicator title	Implementation of recommendations from the diagnostic study report.
Definition	Implementing of the recommendations from the diagnostic study report to enabling access to comprehensive, consistent and validated data.
Source of data	Diagnostic study report and Implementation Plan
Method of calculation or assessment	Qualitative
Means of verification	Implementation Plan
Assumptions	The availability and cooperation of all relevant stakeholders
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
Calculation type	Non-cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Reporting of credit information on businesses at the credit bureaus.
Indicator responsibility	Manager: Credit Bureau Compliance.

Items	Guide
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Indicator title	Implementation of recommendations from the feasibility study report.
Definition	Implementation of recommendations from the feasibility study report to enable an effective monitoring of patterns of the consumer credit market in South Africa.
Source of data	Feasibility study report and Implementation Plan
Method of calculation or assessment	Qualitative (report).
Means of verification	Implementation plan
Assumptions	The availability and cooperation of all relevant stakeholders
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
Calculation type	Non-cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Central repository of credit information.
Indicator responsibility	Manager: Credit Bureau Compliance.

Items	Guide
Indicator title	Number of learners/interns recruited in partnership with BankSETA.
Definition	Recruitment of interns to facilitate opportunities for job creation.
Source of data	Application documents and proof of qualifications.
Method of calculation or assessment	Quantitative (simple count of interns recruited).
Means of verification	Appointment letters.
Assumptions	Cooperation from BankSETA.
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
Desired performance	Skilled and work-experienced graduates and learners.
Indicator responsibility	Manager: Human Resources.

Items	Guide
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Technical Indicator Descriptions (TIDs) (continued)

Indicator title	Number of investigations conducted on credit providers relating to the National Credit Act.
Definition	A measuring tool relating to investigations conducted on credit providers pertaining to the NCA.
Source of data	Compliance monitoring reports Investigation reports Audit reports Raids Complaints evaluation reports
Method of calculation or assessment	Quantitative (simple count of total number of investigations conducted).
Means of verification	Investigation reports Compliance monitoring reports Audit reports Complaints evaluation reports Notices of non-referral
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with the NCA and its regulations by credit providers
Indicator responsibility	Managers: Credit Provider Compliance, Complaints, Investigations and Enforcement.

Items	Guide
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance relating to National Credit Act by credit providers.
Definition	A measuring tool relating to enforcement action taken against credit providers for non-compliance relating with the NCA.
Source of data	Enforcement tools (issued compliance notices/instructional letters/ referrals to the NCT and courts; and settlements). Copy of the docket in criminal cases.
Method of calculation or assessment	<p>Quantitative</p> $\frac{\text{Total number of enforcement actions taken}}{\text{Total number of investigations which identified non-compliance relating to the NCA}} \times 100$ <p>= Total percentage (%) of enforcement actions taken</p>
Means of verification	Enforcement tools (issued compliance notices/instructional letters/ referrals to the NCT and courts). Copy of the docket in criminal cases.
Assumptions	There will be sufficient, efficient resources and cooperation from credit providers.

Items	Guide
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
Calculation type	Cumulative (year-end).
Reporting cycle	Annually
Desired performance	Improved compliance with the NCA, consumer protection and redress.
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Credit Provider Compliance.

Items	Guide
Indicator title	Number of investigations conducted on debt counsellors relating to compliance with the NCA.
Definition	A measuring tool relating to investigations conducted on debt counsellors' compliance with the NCA.
Source of data	Compliance monitoring reports Investigation reports Complaints evaluation reports
Method of calculation or assessment	Quantitative (simple count of total number of investigations conducted).
Means of verification	Investigation reports Compliance monitoring reports Complaints evaluation reports
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with the NCA and its regulations by debt counsellors.
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Debt Counselling.

Technical Indicator Descriptions (TIDs) (continued)

Items	Guide
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance with the NCA by debt counsellors.
Definition	A measuring tool relating to enforcement action taken against debt counsellors for non-compliance relating to debt counselling.
Source of data	Enforcement tools (issued compliance notices/instructional letters/ referrals to the NCT and court/settlement agreements).
Method of calculation or assessment	Quantitative $\frac{\text{Total number of enforcement actions taken}}{\text{Total number of investigations which identified non-compliance relating to debt counselling}} \times 100$ = Total percentage (%) of enforcement actions taken.
Means of verification	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and Courts).
Assumptions	There will be sufficient, efficient resources and cooperation from debt counsellors.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Annually
Desired performance	Improved compliance with the NCA, consumer protection and redress.
Indicator responsibility	Managers: Investigations and Enforcement, Complaints and Debt Counselling.

Items	Guide
Indicator title	Number of investigations conducted on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, removal of adverse consumer credit information and paid-up judgements.
Definition	A measuring tool relating to investigations conducted on credit bureaus compliance with the NCA.
Source of data	Compliance monitoring reports Investigation reports Audit reports Complaints evaluation reports (closure letters)
Method of calculation or assessment	Quantitative (simple count)
Means of verification	Compliance monitoring reports Investigation reports Audit reports Complaints evaluation reports (closure letters)
Assumptions	Cooperation and compliance by credit bureaus, credit providers and consumers.

Items	Guide
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
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly.
Desired performance	Improved compliance with the NCA by hosting credit bureaus.

Items	Guide
Indicator title	Enforcement action taken by the end of the financial year on a percentage (%) of investigations that identified non-compliance by hosting credit bureaus.
Definition	A measuring tool relating to enforcement action taken against credit bureaus for non-compliance with the NCA.
Source of data	Enforcement tools (issued compliance notices/instructional letters/ referrals to the NCT and courts).
Method of calculation or assessment	<p>Quantitative</p> <p>Total number of enforcement actions taken.</p> $\frac{\text{Total number of investigations which identified non-compliance with the NCA}}{\text{Total number of investigations}} \times 100$ <p>= Total percentage (%) of enforcement action taken</p>
Means of verification	Enforcement tools (issued compliance notices/instructional letters/ referrals to the NCT and courts; settlements; letter from registrants confirming corrections of non-compliances).
Assumptions	There will be sufficient and efficient resources.
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
Calculation type	Cumulative (year-end).
Reporting cycle	Annually
Desired performance	Improved compliance with NCA by hosting credit bureaus.
Indicator responsibility	Manager: Credit Bureau Compliance.

Technical Indicator Descriptions (TIDs) (continued)

Items	Guide
Indicator title	% of evaluated credit bureau annual compliance reports certified by an independent auditor for the previous financial year.
Definition	A measuring tool relating to the evaluation of credit bureau annual compliance reports certified by an independent auditor for the previous financial year.
Source of data	Credit bureau annual compliance reports certified by an independent auditor for the previous financial year. Evaluation reports
Method of calculation or assessment	$\frac{\text{Number of annual compliance reports evaluated}}{\text{Total number of annual compliance reports received}} \times 100$ = Total percentage (%) of evaluated annual compliance reports
Means of verification	Evaluation reports.
Assumptions	Sufficient and efficient resources to evaluate the annual compliance reports.
Disaggregation of beneficiaries (where applicable)	<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
Calculation type	Cumulative (year-to-date).
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with NCA by credit bureaus.
Indicator responsibility	Manager: Credit Bureau Compliance.

Items	Guide
Indicator title	Enforcement action taken on a percentage (%) of credit bureaus that were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.
Definition	A measuring tool relating to enforcement action taken against credit bureaus that were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.
Source of data	Enforcement tools (Issued compliance notices/Instructional letters/ referrals to the NCT and courts; and settlements).
Method of calculation or assessment	$\frac{\text{Number of annual compliance reports evaluated}}{\text{Total number of credit bureaus which were found to be non-compliant}} \times 100$ = Total percentage (%) of enforcement action taken
Means of verification	Enforcement tools (issued compliance notices/Instructional letters/ referrals to the NCT and courts; letter from registrants confirming corrections of non-compliances).
Assumptions	Sufficient and efficient resources to evaluate the annual compliance reports.

Items	Guide
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
Calculation type	Cumulative (year-to-date).
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with NCA by credit bureaus.
Indicator responsibility	Manager: Credit Bureau Compliance.

Items	Guide
Indicator title	Number of reports produced on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.
Definition	A measuring tool for the impact of enforcement action taken.
Source of data	Judgements, letters of undertakings, settlement orders, consent orders, dockets, or charge sheets.
Method of calculation or assessment	Qualitative
Means of verification	Judgements, letters of undertakings, settlement orders, consent orders, dockets, or charge sheets. Compliance certificates. Written proof of refunds, audit reports evidencing corrective measures implemented.
Assumptions	Sufficient and efficient resources. Enforcement action has been taken.
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
Calculation type	Cumulative (year-to-date).
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with NCA.
Indicator responsibility	Manager: Investigation and Enforcement.

Technical Indicator Descriptions (TIDs) (continued)

Items	Guide
Indicator title	ESG strategy document produced.
Definition	ESG strategy to give structure on the execution of service delivery goals.
Source of data	Service delivery goals of world bank
Method of calculation or assessment	Qualitative (Strategy)
Means of verification	ESG Strategy document
Assumptions	Cooperation by task team
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 long-term value
Indicator responsibility	Manager: Risk and Audit Services

Items	Guide
Indicator title	A funding model document produced.
Definition	A model adopted on how the NCR can be financially sustainable.
Source of data	Registrants, the market, benchmarking
Method of calculation or assessment	Qualitative (funding model document).
Means of verification	Funding model document
Assumptions	Cooperation from all participants.
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	Sustainable financial position of the entity.
Indicator responsibility	Manager: Finance

Items	Guide
Indicator title	A culture framework produced.
Definition	A framework that expresses the desired culture of the entity.
Source of data	Survey and report from the service provider.
Method of calculation or assessment	Qualitative (Framework)
Means of verification	Framework
Assumptions	Cooperation by all stakeholders
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 culture within the entity.
Indicator responsibility	Manager: Human Resources.

Annexure A

Risk management and Fraud Prevention Plan

Fraud Prevention Plan:

The NCR Fraud Prevention Policy and Plan has been developed and approved within the context of the risk management framework with the aim to set out and highlight the NCR's policy of zero tolerance towards fraud and corruption as well as management's commitment to combating all forms of fraud inherent in the NCR's operations.

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

The main objectives of the Fraud Prevention Plan include:

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

The main principles of the Fraud Prevention Plan are:

- Create a culture which is intolerant to fraud
- Deter fraud
- Prevent fraud which cannot be deterred
- Detect fraud
- Investigate detected fraud
- Take appropriate action against fraudsters (e.g. prosecution & disciplinary action)
- Appropriate recovery or the application of a sanction

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

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

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

These controls are categorised as:

- Preventative controls:
 - Authorisation
All transactions require authorisation or approval by an appropriate responsible person.
The limits of these authorisations are specified in the NCR's delegations of authority.
 - Custody of assets
Involves procedures and security measures designed to ensure that access to assets is limited to authorised personnel and personnel held accountable for the assets.

- Detection controls
 - Arithmetic and accounting
Procedures to ensure processed and recorded transactions have been authorised and are accurate and complete.

Controls include checking the arithmetical accuracy of records, the maintenance and checking of totals, reconciliations, control accounts and accounting for documents.
 - Physical
Relates to the security of records, underpinning arithmetic, and accounting controls.

Similar to preventative controls, these controls also limit access.
 - Supervision
Relates to supervision by responsible officials over day-to-day transacting and subsequent recording thereof.
 - Management Information
Relates to the review of management accounts and budgetary control.

Exercised by management independent of the processing system.

Detection of fraud and corruption may occur through:

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

Implementation and maintenance of the Fraud Prevention Plan includes:

- Creating awareness
- Communication
- Ongoing maintenance and review

The accounting authority is ultimately responsible to create an environment that demonstrates the zero tolerance to fraud and corruption embedded in the culture of the NCR.

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

- Create awareness among employees of forbidden conduct in terms of the disciplinary code and taking appropriate action against offenders.
- Continuously train managers in the application of disciplinary measures and the disciplinary process.
- Develop a system to facilitate the consistent application of disciplinary measures.
- Regularly monitor and review the application of discipline to improve weaknesses identified.

Allegations that are found to have merit, must be recorded, and reported to the CEO and investigated. If the CEO is involved, the allegation must be referred to the Minister of Trade, Industry and Competition for a decision.

If a member of Exco is involved, the allegations must be reported to the chairperson of the Audit and Risk Management Committee who must decide on the course of action to be taken.

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

Annexure B

Materiality and Significance Framework

1. Background

The National Credit Regulator (NCR), as a Schedule 3A Public Entity is required to prepare a materiality and significance framework for the organisation to give effect to the amended Treasury Regulations issued in terms of the Public Finance Management Act, 1999, March 2005, which places the following requirement on public entities:

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

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

The materiality and significance framework enhances the efficiency and effectiveness of decision-making processes and how NCR reports on the outcomes of decisions.

2. Methodology

Materiality and significance should be considered for:

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

The consideration should include:

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

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

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

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

Element	% range
Total assets	1% – 2%
Total revenue	0.5% – 1%
Profit after tax	2% – 5%

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

3. Non-financial matters (qualitative)

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

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

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

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

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

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

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

4. Financial matters (quantitative)

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

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

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

In using the parameters, the following results have emerged.

	Total assets		Total expenses	
R-value per annual financial statements 2024	R112 660 451		R135 124 847	
Parameter (top %)	2%	R2 253 209	1%	R1 351 249
Parameter (bottom %)	1%	R1 126 605	0.5%	R675 624
Materiality rand value per element	R1 890 857		R1 351 249	

Annexure B (continued)

In the interest of prudence, the rand value for materiality for financial matters are set at R1 890 857.

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

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

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

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

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

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

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

Based on this assessment, at least the following accounting policies should be disclosed in the annual report under significant matters within this framework:

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



National Credit Regulator

Advocating For Inclusive Credit

Company Contact:

127 – 15th Road Randjespark Midrand

NCR Reception:

011 554 2700

NCR Call Centre:

0860 627 627/0860 NCR

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

www.ncr.org.za