



# STRATEGIC PLAN 2024/25–2029/30



**NCR**  
National Credit Regulator



## Abbreviations

<b>AA</b>	Accounting Authority	<b>MANCO</b>	Management Committee
<b>AI</b>	Artificial Intelligence	<b>MFSA</b>	Microfinance South Africa
<b>APP</b>	Annual Performance Plan	<b>MOLD</b>	Maintenance Online Listing of Defaulters
<b>BankSETA</b>	Banking Sector Education and Training Authority	<b>MoU</b>	Memorandum of Understanding
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>MTDP</b>	Medium-Term Development Framework
<b>CEO</b>	Chief Executive Officer	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>CFO</b>	Chief Financial Officer	<b>NCA</b>	National Credit Act
<b>CIF</b>	Credit Industry Forum	<b>NCR</b>	National Credit Regulator
<b>COVID-19</b>	Novel Corona Virus Disease	<b>NCT</b>	National Consumer Tribunal
<b>CPB</b>	Consumer Profile Bureau	<b>NDP</b>	National Development Plan
<b>CSD</b>	Central Supplier Database	<b>NFO</b>	National Financial Ombud Scheme South Africa
<b>DC</b>	Debt Counsellor	<b>NIPF</b>	National Industrial Policy Framework
<b>DCEO</b>	Deputy Chief Executive Officer	<b>OMIS</b>	Operational Management Information System
<b>dtic</b>	Department of Trade, Industry and Competition	<b>PDA</b>	Payment Distribution Agent
<b>EA</b>	Executive Authority	<b>PFMA</b>	Public Finance Management Act
<b>ERRP</b>	Economic Reconstruction and Recovery Plan.	<b>PPR</b>	Preferential Procurement Regulations
<b>ESG</b>	Environmental, Social and Governance	<b>QCTO</b>	Quality Council for Trades and Occupation
<b>EXCO</b>	Executive Committee	<b>SAPS</b>	South African Police Service
<b>GDP</b>	Gross Domestic Product	<b>SCM</b>	Supply Chain Management
<b>GNU</b>	Government of National Unity	<b>SDG</b>	Sustainable Development Goal
<b>HSRC</b>	Human Sciences Research Council	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>ICCR</b>	International Committee on Credit Reporting	<b>SONA</b>	State of the Nation Address
<b>ICT</b>	Information Communication and Technology	<b>SP</b>	Strategic Plan
<b>IFC</b>	International Finance Corporation	<b>TID</b>	Technical Indicator Description
<b>IFWG</b>	Intergovernmental Fintech Working Group	<b>5IR</b>	Fifth Industrial Revolution
<b>IMF</b>	International Monetary Fund		
<b>J-KPI</b>	Joint Key Performance Indicator		
<b>MACR</b>	Movable Asset Collateral Registry		

## Definitions used to measure performance

<b>Effective</b>	Successful in producing a desired or intended result
<b>Enhance</b>	Improve the quality of performance
<b>Support</b>	To give assistance
<b>Facilitate</b>	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 focus of the NCR in the next five years will be on:

- Promoting access to credit (financial inclusion), economic growth through educational awareness (financial literacy) and facilitation of job creation through work experience.
- Efficient registration processes leading to a reduction in red tape.
- Improved consumer coverage with focus on major programmes conducted in provinces.
- Promotion of affordable levels of credit granting, decreased levels of reckless lending and unfair practices and accurate consumer credit information
- Improved long-term value contributing to the highest standard of ethical service delivery.

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 MSMEs 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

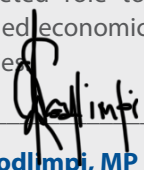


In a country with high inequality such as ours, access to fair credit facilities is crucial in ensuring that we have responsible credit granting and use, while also fostering redress. The National Credit Regulator's commitment to establish a business credit and risk reporting ecosystem for South Africa 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 7<sup>th</sup> 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.



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**Mr Zuko Godlindi, 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

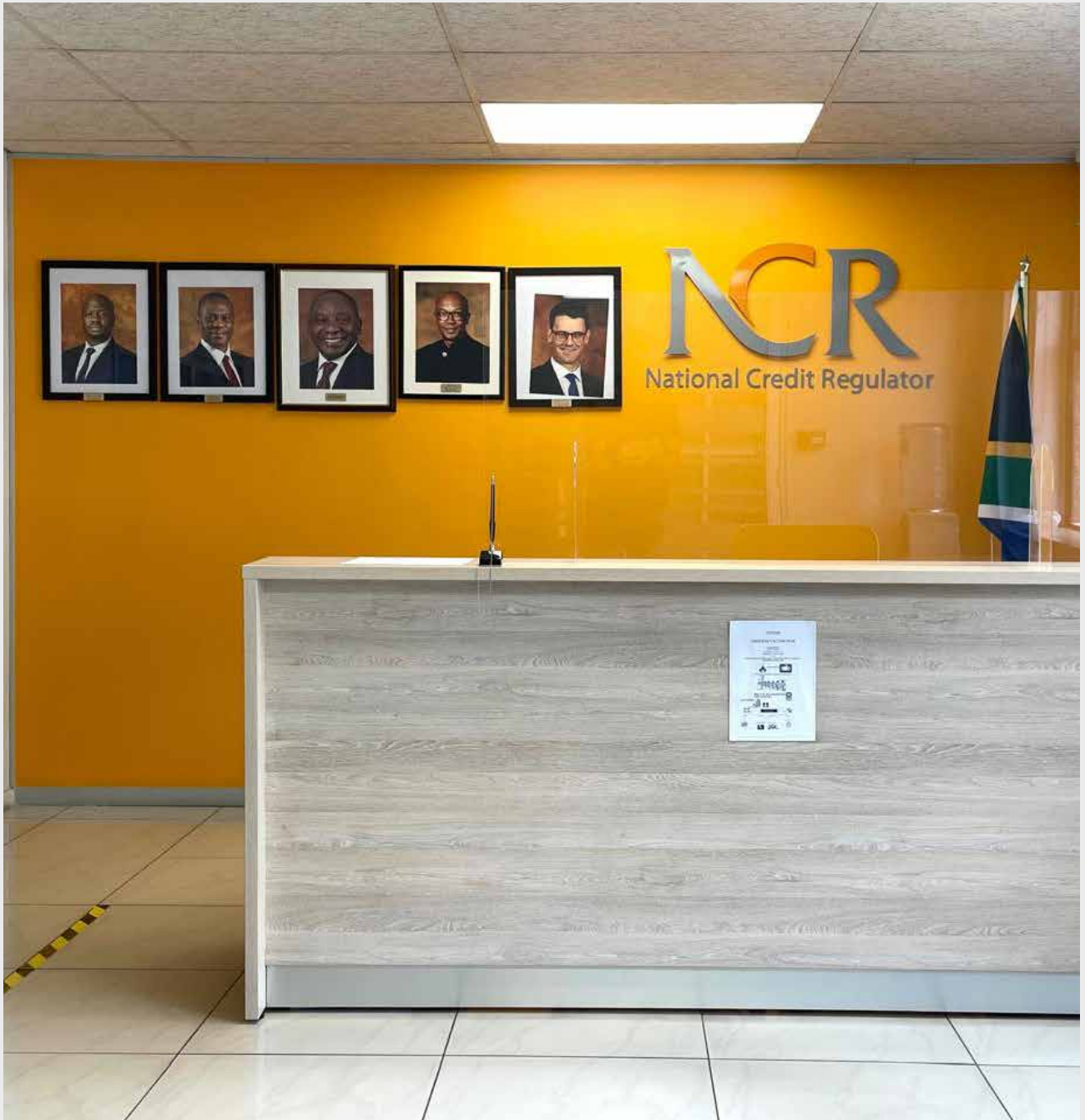
- *Impact statement:* A fair, responsible and accessible consumer credit market promoted.
- *Alignment to the Medium-Term Development Plan (MTDP):* Priority 3: Build a capable, ethical and developmental state.

### 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, MSMEs 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.

Two initiatives currently in progress are the Business Credit and Risk Information (BUSCRI) and the establishment of a credit register. The purpose of the BUSCRI is to drive business credit information sharing and, in particular credit data related to Micro, Small, and Medium Enterprises (MSMEs). The reporting and sharing of business credit information at the credit bureaus to enable access to credit by MSMEs. The purpose of the establishment of the credit register is to develop a repository of credit data to enable an effective monitoring of patterns of the consumer credit market in South Africa. The two projects will be of great benefit to all South African Consumers including the MSMEs.

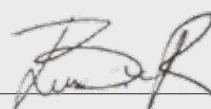
The review of legislation seeks to establish regulation and supervision to drive positive credit market outcomes. We will continue to support the transformation of the credit sector to ensure it aligns with and effectively serves the diverse needs of the society it operates within.

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 2024/25–2029/30 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.

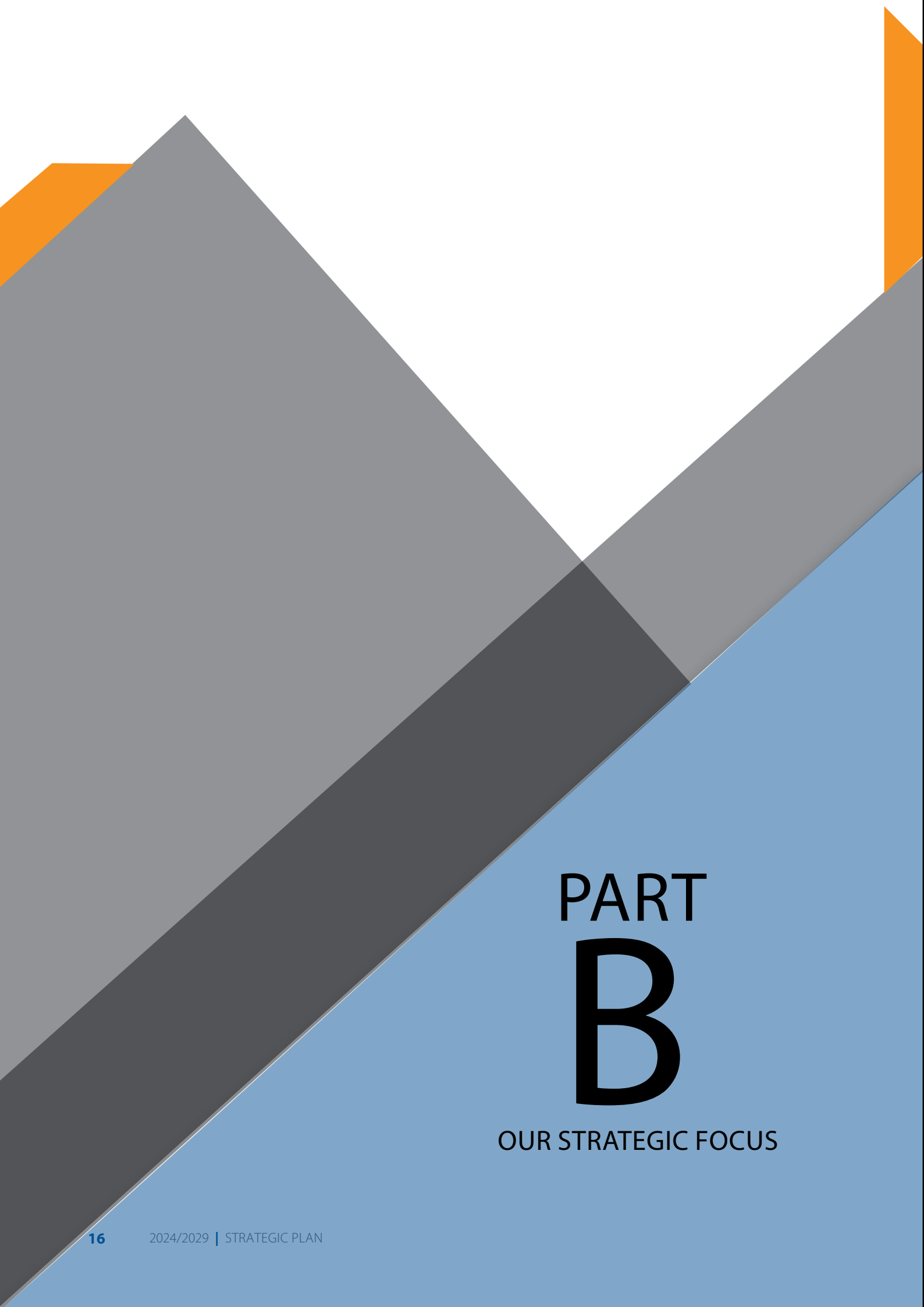
No.	Matter name	Court and case reference number	Legal issues and status
1.	<b>MFSA vs the Minister of Trade and Industry and the NCR</b>	North Gauteng High Court Case No 59612/17	The MFSA applied to the High Court to review the cost of credit life insurance on short-term loans. Matter postponed indefinitely until review is finalised.
2.	<b>Bridge vs NCR</b>	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.	<b>BMW vs NCR</b>	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.	<b>VW vs NCR</b>	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.	<b>Mercedes Benz vs NCR</b>	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.	<b>CMR Group (Pty) Ltd (In Liquidation) vs NCR</b>	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.	<b>Dacqup Trading t/A ABC Financial Services</b>	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	<b>NCR vs Marylee Govender (DC)</b>	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.	<b>Asia Lamara vs NCR</b>	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.	<b>Bongani Mnweba (DC) vs NCR</b>	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.	<b>Option Deals vs NCR</b>	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.	<b>Xcelsior &amp; another vs NCR</b>	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.	<b>Sewatumong vs NCR</b>	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	<b>First Group Holdings v NCR</b>	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	<b>NCR vs Stelland Finansies</b>	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. Vision

*"To steer and advance a South African consumer credit market that is fair, transparent, inclusive, accessible, and dynamic."*

## 2. Mission

*To advance the social and economic wellness of South Africa, by:*

- *Promoting a financially inclusive environment where all consumers have the opportunity to make informed decisions and credit services are available to all.*
- *Proactively regulating for a fair and non-discriminatory market for access to consumer credit.*
- *Committing to sustainability, social responsibility, and excellence, to ensure a lasting positive impact on both society and the environment.*

## 3. Values

### **Service excellence:**

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

### **Integrity:**

*We are committed to honesty and integrity without compromise.*

### **Empowerment:**

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

### **Good corporate governance:**

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

## 4. High-level SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Experience in the provision of core services of the mandate of the NCR.</li> <li>• Clean audit outcomes in 2014/15, 2015/16, 2017/18, 2018/19, 2019/20, 2022/23, 2023/24 and unqualified audit opinions for the 2020/21 and 2021/22 financial years.</li> <li>• Good corporate governance.</li> <li>• Knowledgeable, skilled personnel with adequate experience.</li> <li>• Revenue generation through registration fees.</li> <li>• In-house IT support and systems.</li> <li>• Effective communications and customer relations.</li> <li>• Organisational culture and ethics.</li> </ul>	<ul style="list-style-type: none"> <li>• Outdated IT infrastructure.</li> <li>• Poor consumer perceptions.</li> <li>• Staff retention, instability, and continuity.</li> <li>• Too much dependency on consultants.</li> <li>• Outdated policies and procedures.</li> <li>• Lack of national footprint.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Positive public perception of the NCR.</li> <li>• Training of interns.</li> <li>• Implementation of the Information and Communication Technology (ICT) Strategy.</li> <li>• Improved stakeholder network.</li> <li>• Alternative sources of funding and partnerships opportunities (potential funding sources).</li> <li>• Job evaluations and salary benchmark.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-retention of critical skills and experienced personnel.</li> <li>• Staff turnover due to competitive salaries in the market.</li> <li>• Reduction of funding/budget.</li> <li>• Low staff morale.</li> <li>• Budgetary constraints resulting from low revenue generation.</li> <li>• Government of national unity – potential re-integration of entities.</li> <li>• Leadership instability – interim accounting authority can be replaced at any time.</li> <li>• Administrative changes (including in priorities – need to be alert and responsive to that).</li> <li>• Funding, grants, and budget allocations based on the above.</li> </ul>

## Our Strategic Focus (continued)

### 5. 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 period 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.

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 prioritized the following for the medium-term period:

**1. 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.

**2. 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.

## Our Strategic Focus (continued)

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.

The NCR will continue to collaborate and provide guidance on this project.

## **3. 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 Africa.

## **6. 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.

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 customized 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.

## Our Strategic Focus (continued)

### 7. 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. 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 utilisation, 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 2023/24.

#### 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 cost-cutting measures and improved efficiencies [mentioned in point c) under situational analysis], the NCR was able to deliver against 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 its 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.

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.

#### d) Financial Plan

Financial planning and discipline are a key success factor for the NCR. With limited financial resources, and the need to regulate the credit industry and enforce the NCA, it is imperative for the NCR to optimize its available funding by continuing to implement cost-containment measures.

This section provides an overview of the projected revenue, expenditure, and cash flow requirements over the five-year period. In addition, the NCR's assets and management strategy is provided, as well as its capital expenditure projections.

##### (i) Projections of revenue, expenditure, borrowings, and capex

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

	Year 2024–2025	Year 2025–2026	Year 2026–2027	Year 2027–2028	Year 2028–2029	Year 2029–2030
<b>Operational expenditure</b>						
Personnel costs	R88 053 424	R95 575 561	R100 354 339	R105 372 056	R110 640 659	R116 172 692
Administration costs	R36 851 876	R38 583 583	R40 512 762	R42 538 400	R44 202 269	R45 896 896
Professional/Programme costs	R14 698 600	R12 494 498	R13 119 223	R13 775 184	R14 463 943	R15 187 140
<b>Total operational expenditure</b>	<b>R139 603 900</b>	<b>R146 653 642</b>	<b>R153 986 324</b>	<b>R161 685 640</b>	<b>R169 306 871</b>	<b>R177 256 728</b>
<b>Capital expenditure</b>						
Fixed assets	R8 350 042	R10 251 000	R10 763 550	R11 301 728	R11 866 814	R12 460 155
<b>Total capital expenditure</b>	<b>R8 350 042</b>	<b>R10 251 000</b>	<b>R10 763 550</b>	<b>R11 301 728</b>	<b>R11 866 814</b>	<b>R12 460 155</b>
<b>Total expenditure</b>	<b>R147 953 942</b>	<b>R156 904 642</b>	<b>R164 749 874</b>	<b>R172 987 368</b>	<b>R181 173 685</b>	<b>R189 716 882</b>
<b>Income</b>						
Fees from registrants	R46 902 942	R49 248 089	R53 012 244	R56 947 706	R61 079 941	R65 418 788
Transfers from the DTI	R79 051 000	R81 675 000	R84 457 000	R87 395 000	R90 016 850	R92 717 356
Recovery PDA	R14 000 000	R17 741 553	R18 628 631	R19 560 062	R20 538 065	R21 564 969
Interest	R8 000 000	R8 140 000	R8 547 000	R8 974 350	R9 423 068	R9 894 221
Other income	R0	R100 000	R105 000	R110 250	R115 763	R121 551
<b>Total income</b>	<b>R147 953 942</b>	<b>R156 904 642</b>	<b>R164 749 874</b>	<b>R172 987 368</b>	<b>R181 173 686</b>	<b>R189 716 884</b>

##### (i) Asset and Liability Management

In terms of section 51(1)(c) of the PFMA, the accounting authority is responsible for the management, including the safeguarding, of the assets and the management of the revenue, expenditure, and liabilities of the public entity. Within the NCR, the Asset Management Policy provides for the acquisition of assets when the need arises. Procurement processes are in line with legislative requirements as well as the NCR's Supply Chain Management Policy. In addition, assets are effectively maintained, and when required, disposed of in accordance with the PFMA.



## Our Strategic Focus (continued)

### (ii) Cash flow projections

	YEAR 2025–2026	YEAR 2026–2027	YEAR 2027–2028
<b>Cash flows from operating activities</b>			
Cash receipts from applicants and registered entities	R49 248 089	R53 012 244	R 56 947 706
Other income	R17 841 553	R18 733 631	R 19 670 312
Cash paid to suppliers	R(51 078 081)	R(53 631 985)	R(56 313 584)
Cash paid to employees	R(95 575 561)	R(100 354 339)	R(105 372 056)
<b>Cash absorbed by operations before transfers received</b>	R(79 564 000)	R(82 240 450)	R(85 067 622)
Transfer received	R81 675 000	R 84 457 000	R 87 395 000
<b>Cash generated by operations</b>	R2 111 000	R 2 216 550	R 2 327 378
Finance Income	R8 140 000	R 8 547 000	R 8 974 350
<b>Net cash inflows from operating activities</b>	<b>R10 251 000</b>	<b>R10 763 550</b>	<b>R11 301 728</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant, and equipment	(R10 251 000)	(R10 763 550)	(R11 301 728)
Developments of ICT System	–	–	–
Net cash (outflows) from investing activities	(R10 251 000)	(R10 763 550)	(R11 301 728)
Net (decrease)/increase in cash and cash equivalents	R0	R0	R0

### (i) Capital expenditure programme

The NCR's projected capital expenditure programme for the next three years focuses on the continuous improvements on ICT infrastructure and implementation of the ICT disaster recovery plan. The capex Programme is outlined below:

	YEAR 2025–2026	YEAR 2026–2027	YEAR 2027–2028
Office Equipment	R30 000	R31 500	R33 075
Computer Equipment	R2 400 000	R2 520 000	R4 000 000
Software and licenses	R7 821 000	R8 212 050	R7 650 420
<b>Total</b>	<b>R10 251 000</b>	<b>R10 763 550</b>	<b>R11 301 728</b>

### (i) Dividend policies

The NCR is a Schedule 3A public entity receiving a transfer payment from the dtic. Hence the NCR does not declare dividends.

## 8. 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 performance information

### 1.1 Impact statement 1

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.
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#### 1.1.1 Measuring our outcomes

MTDP priority	Priority 1: Inclusive growth and job creation Priority 2: Reduce poverty and tackle the high cost of living		
Outcome	Outcome Indicator	Baseline	Five-year target
Creating an enabling environment for companies through fast-tracking of legislation, other instruments, reducing red tape and unlocking bottlenecks.	Review of the National Credit Regulations 17, 18, 19, 23A, 24, 28, 29, 30, 31(4) and others (including those identified by the Youth Employment Working Group).	New indicator	Improve the ease of conducting business.
	Amendment of the National Credit Act.		
Improved consumer protection through education of the NCA.	Number of NCA consumer education programmes conducted in all provinces.	1 400	20
	Number of evaluation reports produced on consolidated activities relating to educational awareness, investigations complaints evaluations, compliance monitoring, debt counselling and enforcement.	4	20
Improved NCA compliance by registrants.	Number of workshops conducted to support new registrants.	25	20
Increased efficiency in registration of persons and entities (red-tape reduction).	% of new entrants (persons and entities) registered within a number of days of receipt of signed proposed conditions and payment of registration fees	98% of persons and entities registered in the consumer credit market within 6 business days of receipt of proposed conditions and payment of registration fees.	98% of persons and entities registered in the consumer credit market within 6 business days of receipt of proposed conditions and payment of registration fees.
Improved regulatory environment.	Number of circulars and/or guidelines issued in relation to Sec 16(1)(b) of the NCA.	4	20
	*Impact study report on the effect of total cost of credit and credit life insurance regulations on consumers and submit final report to the dtic.	An impact study report on regulations on limitations on fees and interest rates together with credit life regulations and submit report to the dtic.	-

MTDP priority	Priority 1: Inclusive growth and job creation Priority 2: Reduce poverty and tackle the high cost of living		
Outcome	Outcome Indicator	Baseline	Five-year target
Improved economic growth and development through procurement of goods and services from SMMEs.	% of the total number of qualifying purchase orders issued to SMMEs.	75% of procurement spent on SMMEs, inclusive of women and youth.	75% of the total number of qualifying purchase orders issued to SMMEs
Enabling access to comprehensive, consistent, validated data by closing the information gap between businesses and lenders.	Establishment of business credit and risk reporting in South Africa.	New Indicator	Credit information report on business credit and risk reporting in South Africa.
Repository of credit data to enable an effective monitoring of patterns of the consumer credit market in South Africa.	Feasibility study for establishing the central credit register to the dtic.	New Indicator	Central repository of credit information
Facilitation of job creation through work experience.	Number of learners/interns recruited in partnership with BankSETA.	10	40
Approved education strategy	Implementation of the education strategy and plan	New Indicator	Implementation of the education strategy and plan

### 1.1.2 Explanation of planned performance over the five-year planning period

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

## Measuring our Performance (continued)

### 1.2 Impact statement 2

Impact statement	A fair, responsible, and accessible consumer credit market promoted.
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#### 1.2.1 Measuring our outcomes

MTDP priority	Priority 3: Build a capable, ethical, and developmental state		
Outcome	Outcome Indicator	Baseline	Five-year target
Improved compliance through enforcement of the NCA.	Number of investigations conducted on credit providers relating to the NCA	490	550
	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.	80%	85%
Improved compliance through enforcement of the NCA.	Number of investigations conducted on debt counsellors relating to compliance with the NCA.	350	600
	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.	80%	85%
Improved compliance through enforcement of the NCA.	**Number of investigations conducted on hosting credit bureaus in respect of the NCA.	83%	6
	Enforcement action taken by the end of the financial year on a percentage (%) of investigations which identified non-compliance by credit bureaus.	85%	90%
	% of evaluated credit bureau annual compliance reports certified by an independent auditor for the previous financial year.	100%	100%
Improved compliance through enforcement of the NCA.	Enforcement action taken by the end of the financial year on a percentage (%) of credit bureaus which were found to be non-compliant after the evaluation of annual compliance reports certified by an independent auditor for the previous financial year.	80%	90%
	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 a 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.	Twelve progress reports and four final reports on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.

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

\*\* Hosting credit bureau is one that receives payment profile information that flows from credit/data providers via the Data Transmission Hub. In addition, they hold a full database of all credit active consumers in South Africa, whereas the other types of credit bureaus hold partial consumer credit information only. These credit bureaus need extensive IT systems & infrastructure as millions of records flows to and are processed by them daily

### 1.2.2 Explanation of planned performance over the five-year planning period

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

### 1.3 Impact statement 3

Impact statement	Improved long-term value while minimizing our ecological footprint, fostering inclusive communities, and ensuring the highest standards of ethical service delivery.
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#### 1.3.1 Measuring our outcomes

MTDP priority	Priority 3: Build a capable, ethical, and developmental state		
Outcome	Outcome Indicator	Baseline	Five-year target
Proactive Management of ESG and Regulatory Compliance	Enhanced consumer wellbeing by ensuring an ethical credit environment.	New indicator	Implementation of ESG Strategy
Financial stability for the entity	Financially sustained entity.	New Indicator	Implementation of other revenue streams from the funding model
An innovative, collaborative, and resilient workforce	Ensuring fair labour practice and safe working conditions.	New Indicator	Improved culture within the entity

### 1.3.2 Explanation of planned performance over the five-year planning period

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

## 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 action plans in place to mitigate the risks.

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





# 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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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 MSMEs and job facilitation.
Indicator responsibility	Manager: Registrations

Items	Guide
Indicator title	Number of circulars and/or guidelines issued in relation to Sec 16 (1) (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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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 MSMEs.
Definition	Measure of the percentage of purchase orders issued to MSMEs.
Source of data	Supplier proposal documents and internally created documents.
Method of calculation or assessment	Quantitative Total number of purchase orders issued to MSMEs. ----- X 100 Total number of purchase orders issued. = Total percentage (%) of purchase orders issued to MSMEs.
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
Calculation type	Cumulative (year-end).
Reporting cycle	Quarterly and annually.
Desired performance	75% of the total number of purchase orders issued to MSMEs.
Indicator responsibility	Manager: Supply Chain Management.

Items	Guide
Indicator title	Establishment of business credit and risk reporting in South Africa.
Definition	Conducting a diagnostic study to inform the development of business credit and risk reporting in South Africa in order to access comprehensive, consistent and validated data between businesses and lenders.
Source of data	Consumer credit market.
Method of calculation or assessment	Qualitative
Means of verification	Diagnostic study report.
Assumptions	The availability of data to inform the study.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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
Indicator title	Feasibility of establishing the central credit register to the dtic.
Definition	Conducting a study to determine the feasibility of establishing a central credit register and the model that will work for the South African market.
Source of data	Local and international consumer credit markets.
Method of calculation or assessment	Qualitative (report).
Means of verification	Feasibility study report
Assumptions	The availability of data to inform the study.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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	Percentage 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 $\frac{\text{Total number of investigations completed.}}{\text{Total number of planned investigations on hosting CBs}} \times 100$ = Total percentage (%) of investigations on hosting CBs
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
Calculation type	Cumulative (year-end).
Reporting cycle	Annually.
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
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"> <li>Target for women: N/A</li> <li>Target for youth: N/A</li> <li>Target for people with disabilities: N/A</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Contribution to spatial transformation priorities: N/A</li> <li>Spatial impact area: N/A</li> </ul>
Desired performance	Improved culture within the entity.
Indicator responsibility	Manager: Human Resources.

## Annexure A

### Budget Allocation

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

	Year 2024–2025	Year 2025–2026	Year 2026–2027	Year 2027–2028	Year 2028–2029	Year 2029–2030
<b>Operational expenditure</b>						
Personnel costs	R88 053 424	R95 575 561	R100 354 339	R105 372 056	R110 640 659	R116 172 692
Administration costs	R36 851 876	R38 583 583	R40 512 762	R42 538 400	R44 202 269	R45 896 896
Professional/Programme costs	R14 698 600	R12 494 498	R13 119 223	R13 775 184	R14 463 943	R15 187 140
<b>Total operational expenditure</b>	<b>R139 603 900</b>	<b>R146 653 642</b>	<b>R153 986 324</b>	<b>R161 685 640</b>	<b>R169 306 871</b>	<b>R177 256 728</b>
<b>Capital expenditure</b>						
Fixed assets	R8 350 042	R10 251 000	R10 763 550	R11 301 728	R11 866 814	R12 460 155
<b>Total capital expenditure</b>	<b>R8 350 042</b>	<b>R10 251 000</b>	<b>R10 763 550</b>	<b>R11 301 728</b>	<b>R11 866 814</b>	<b>R12 460 155</b>
<b>Total expenditure</b>	<b>R147 953 942</b>	<b>R156 904 642</b>	<b>R164 749 874</b>	<b>R172 987 368</b>	<b>R181 173 685</b>	<b>R189 716 882</b>
<b>Income</b>						
Fees from registrants	R46 902 942	R49 248 089	R53 012 244	R56 947 706	R61 079 941	R65 418 788
Transfers from the DTI	R79 051 000	R81 675 000	R84 457 000	R87 395 000	R90 016 850	R92 717 356
Recovery PDA	R14 000 000	R17 741 553	R18 628 631	R19 560 062	R20 538 065	R21 564 969
Interest	R8 000 000	R8 140 000	R8 547 000	R8 974 350	R9 423 068	R9 894 221
Other income	R0	R100 000	R105 000	R110 250	R115 763	R121 551
<b>Total income</b>	<b>R147 953 942</b>	<b>R156 904 642</b>	<b>R164 749 874</b>	<b>R172 987 368</b>	<b>R181 173 686</b>	<b>R189 716 884</b>





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**[www.ncr.org.za](http://www.ncr.org.za)**