

Annual Performance Plan

2026/27-2028/29

Abbreviations

AA	Accounting Authority	MACR	Movable Asset Collateral Registry
AI	Artificial Intelligence	MANCO	Management Committee
APP	Annual Performance Plan	MFSA	Microfinance South Africa
ARMC	Audit and Risk Management Committee	MOLD	Maintenance Online Listing of Defaulters
BankSETA	Banking Sector Education and Training Authority	MoU	Memorandum of Understanding
B-BBEE	Broad-Based Black Economic Empowerment	MPC	Monetary Policy Committee
CBDA	Cooperative Banks Development Agency	MSMEs	Micro, Small, and Medium Enterprises
CBM	Credit Bureau Monitor	MTDP	Medium-Term Development Plan
CCMR	Consumer Credit Market Report	MTEF	Medium-Term Expenditure Framework
CEO	Chief Executive Officer	NAMFISA	Namibia Financial Institutions Supervisory Authority
CFO	Chief Financial Officer	NCA	National Credit Act
CIF	Credit Industry Forum	NCR	National Credit Regulator
COVID-19	Novel Corona Virus Disease	NCT	National Consumer Tribunal
CPB	Consumer Profile Bureau	NDP	National Development Plan
CSD	Central Supplier Database	NFOSA	National Financial Ombud Scheme South Africa
DC	Debt Counsellor	NIPF	National Industrial Policy Framework
DCEO	Deputy Chief Executive Officer	OHS	Occupational Health and Safety
DCRS	Debt Counselling Rules System	OMIS	Operational Management Information System
dtic	Department of Trade, Industry and Competition	PDA	Payment Distribution Agent
EA	Executive Authority	PFMA	Public Finance Management Act
ESG	Environmental, Social and Governance	PPR	Preferential Procurement Regulations
EXCO	Executive Committee	QCTO	Quality Council for Trades and Occupation
FPI	Financial Planning Institute of Southern Africa	SACCRA	South African Credit and Risk Reporting
FSCA	Financial Sector Conduct Authority	SACFRI	South Africa Credit Reporting and Financial Inclusion Association
GDP	Gross Domestic Product	SAPS	South African Police Service
GNU	Government of National Unity	SCM	Supply Chain Management
HIRA	Hazard Identification and Risk Assessment	SDG	Sustainable Development Goal
HSRC	Human Sciences Research Council	SMME	Small, Medium and Micro Enterprise
ICCR	International Committee on Credit Reporting	SONA	State of the Nation Address
ICJ	International Court of Justice	SP	Strategic Plan
ICT	Information Communication and Technology	TID	Technical Indicator Description
IFC	International Finance Corporation	UFS	University of the Free State
IFWG	Intergovernmental Fintech Working Group	4IR	Fourth Industrial Revolution
IMF	International Monetary Fund	5IR	Fifth Industrial Revolution
IRBA	Independent Regulatory Board for Auditors		

Definitions used to measure performance

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

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Executive Authority Statement

The Annual Performance Plan (APP) of the National Credit Regulator (NCR) identifies the outputs, output indicators and targets that the NCR aims to achieve in the Medium-Term Expenditure Framework (MTEF) period. The Executive Authority (EA) is responsible for providing direction on the strategic priorities of entities in line with their respective mandates, and to ensure the APP is aligned to government's priorities.

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

The focus of the NCR in the 2026/27 period will include:

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

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

The strategies and tactics encapsulated in this APP are intended to further align the work of the NCR to meet the **dtic's** 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.



A handwritten signature in black ink, appearing to read 'P. Tau'.

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

Date: 15-04-2026

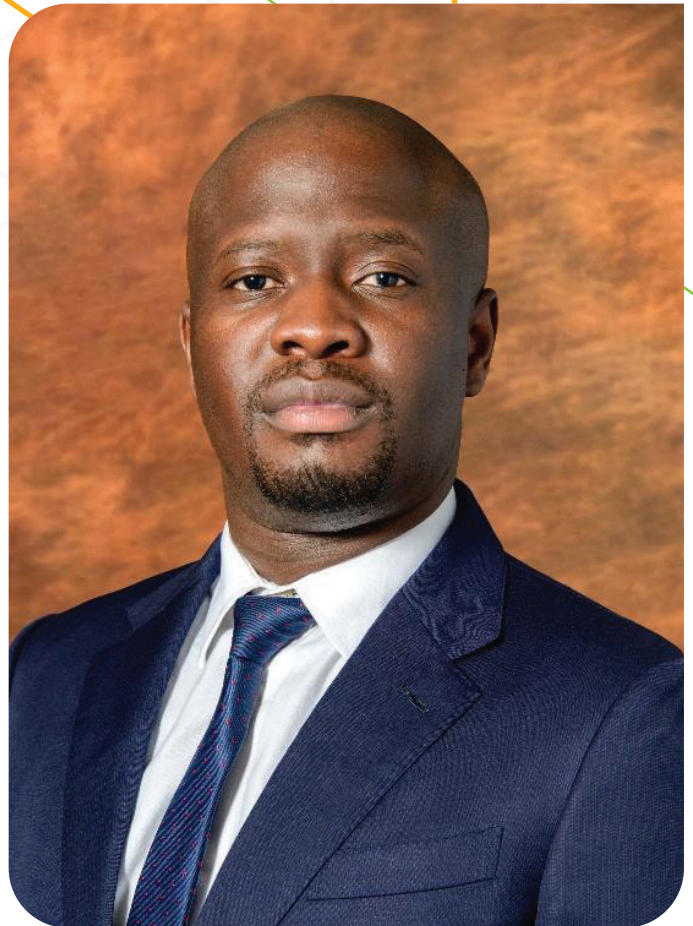
Deputy Minister's Statement

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

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



Mr Zuko Godlimpi, MP

Deputy Minister of Trade, Industry and Competition

Date:

Accounting Officer Statement

Whilst the 2025 to 2030 strategic period is being shaped by persistent socio-economic pressures and structural challenges, it provides the NCR with an opportunity to advance legislative reform, modernise ICT systems, and deepen partnerships to ensure a fair and sustainable credit environment.

The NCR operates in a dynamic environment characterised by fiscal constraints, socio-economic pressures, and rapid digitisation. Persistent challenges include an outdated cost-of-credit fee structure, limited revenue growth, ICT modernisation needs, and leadership gaps. At the same time, new opportunities are emerging through industrialisation priorities, legislative reform, and strategic partnerships. The NCR has demonstrated resilience in navigating these pressures while continuing to protect consumers and strengthen the credit market.

At the half-way mark towards the 2030 global development agenda, our country is still confronted by challenges of poverty, inequality, unemployment and the devastating effects of climate change. As we confront the challenges of a post-pandemic world and increasing environmental threats, South Africa will continue to pursue an integrated development agenda to address poverty and inequality through inclusive social and economic development; unemployment through job creation; state capacity; expanding opportunities in investment and economic growth; and human dignity and security for all. South Africa has prioritised sustainable development and inclusive growth through a collaborative and inclusive approach.

The previous annual report highlights the NCR's resilience, with key accomplishments towards achieving the MTDP priorities including:



NCR Functional Area	Key Accomplishment
Corporate Governance	The NCR received an unqualified audit opinion with findings for the 2024/25 financial year.
Registrations	The NCR registered a total of 2 215 new credit providers and 178 debt counsellors in the 2024/25 financial year, a 16.33% increase from 2023/24.
Credit Provider Compliance	An impressive 97% of credit providers have consistently complied with the requirements for quarterly submissions of Form 39, and as a result of various measures instituted to encourage credit providers to submit their statistical returns, annual submissions of Form 39 increased to 47%.
Credit Bureau Compliance	13 on-site compliance visits and 20 compliance visibility meetings were held, and the periodic regulatory submissions from credit providers were reviewed.
Consumer Education and Communication	The department achieved 100% of its APP targets for the 2024/25 financial year, conducting 1 731 consumer education and awareness activities in 52 district municipalities.

NCR Functional Area	Key Accomplishment
Complaints	Secured refunds and balance adjustments of R3, 647, 695.08 emanating from complaints evaluation and enforcement action taken. About 318 consumers were removed from unlawful debt review.
Statistics and Research	Two reports on market concentration were generated, and a study into "Fixed Interest Rates on Credit Agreements Amid Variations in Repo Rates" was concluded. In accordance with standard practice, quarterly reports were also generated and distributed to industry stakeholders.
Debt Counselling	More than R170 000 were recovered from debt counsellors and refunded to consumers either as payments to credit providers or direct deposits to the consumers. Additionally, almost 61 000 clearance certificates were issued to rehabilitated consumers. This was 13 200 more than the number issued in 2023/24.
Risk and Audit Services	The Audit & Risk Management Committee approved the Fraud Policy and Plan, and the Combined Assurance Plan. No material audit findings were reported in the quarterly performance reports.
Investigations and Enforcement	In cooperation with the SA Police Services, the department conducted 16 raid investigations, uncovering the illegal practice of consumer instruments being retained as a means to enforce loan repayments resulting in arrests and the confiscation of bank cards, SASSA cards, ID books, loan records and cash from the suspects.

The NCR continues to support the objective to combine the efforts of the dtic and its entities towards creating real impact for South

Africans by contributing to 5 of the 10 dtic core outputs targets. These focus areas are aligned to the three strategic priorities introduced by the dtic: Inclusive growth and job creation; reduced poverty and 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 MSMEs.

The NCR will continue to build on the three existing strategic programs on improving the regulatory environment, ensuring the enforcement of the NCA, and sustainability and ESG,

PROGRAMME 1	PROGRAMME 2	PROGRAMME 3
Improved Regulatory Environment	Enforcement of the NCA	Sustainability, Environmental, Social and Governance
<p><i>Impact statement:</i> Improved regulatory environment, which promotes economic inclusion through MSME support, poverty reduction, youth employment and tackling the high cost of living.</p> <p><i>Alignment to the Medium-Term Development Plan (MTDP):</i> Priority 1: Inclusive growth and job creation and Priority 2: Reduce poverty and tackle the high cost of living.</p>	<p><i>Impact statement:</i> A fair, responsible and accessible consumer credit market promoted.</p> <p><i>Alignment to the Medium-Term Development Plan (MTDP):</i> Priority 3: Build a capable, ethical and developmental state.</p>	<p><i>Impact statement:</i> Improved long-term value whilst minimising our ecological footprint, fostering inclusive communities, and ensuring the highest level of ethical service delivery.</p> <p><i>Alignment to the Medium-Term Development Plan (MTDP):</i> Priority 3: Build a capable, ethical and developmental state.</p>

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

The NCR will continue to nurture and forge strategic relationships that have a positive impact for the African continent and the world. As a member of the International Committee on Credit Reporting (ICCR), the only recognised standard setting body in credit reporting, the NCR undertook a cooperation agreement with the International Finance Corporation (IFC) in 2021 to help strengthen the development of the credit reporting ecosystems in South Africa, fostering responsible access to finance and contributing to financial stability. We will continue implementing the valuable work undertaken by this agreement.

The NCR is a recognised 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.

Leadership and governance stability remain a focus. To manage leadership gaps, the NCR has relied on the Management Committee and acting appointments to maintain business continuity. The organisation will continue to strengthen governance structures to ensure stability until permanent appointments are made by the Minister.

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 2026/27—2028/29 period.

Mr Ngoako Mabeba

Acting Company Secretary

Signature _____

Ms Phillipine Mveli

Acting Chief Financial Officer

Signature _____

Ms Tshifhiwa Bologo

Chief Operations Officer

Signature _____

Ms Lynette De Beer CA(SA)

Acting Chief Executive Officer

Signature _____

Approved by:

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

Signature  _____



PART A

OUR MANDATE

1. Updates to relevant legislative and policy mandates

1.1 Constitutional Mandate

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 NCA (Act No. 34 of 2005). The NCR must abide by the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) as amended. The mandate of the NCR directly impacts the following constitutional provisions:

SA Constitution		National Credit Act
Bill of rights	Section 9: Equality	Section 61: Protection against discrimination in respect of credit
	Section 10: Human dignity	Section 66: Protection of consumer credit rights
	Section 14: Privacy	Section 68: Right to confidential treatment
	Section 22: Freedom to trade	Section 14: Registration functions of the National Credit Regulator
	Section 29: Education	Section 3 (e)(i): providing consumers with education about credit and consumer rights Section 16(1)(a) implementing education and information measures to develop public awareness of the provision of this Act
	Section 32: Access to information	Section 62: Right to reasons for credit being refused Section 63: Right to information in official language Section 64: Right to information in plain and understandable language
	Section 33: Just administrative action	Section 3: Purpose of Act
Public administration	Section 29: Education	Section 3 (e)(i): providing consumers with education about credit and consumer rights Section 16(1)(a) implementing education and information measures to develop public awareness of the provision of this Act
	Section 195: Basic value and principles governing public administration	Section 3: Purpose of Act

1.2 Updates to relevant legislative and policy mandates.

The primary objective of the NCA is to cultivate an equitable, transparent, and non-discriminatory marketplace for consumer credit, regulating the industry and enhancing the standard of information provided to consumers. Specific aims include:

- Fostering a fair and non-discriminatory marketplace for consumer credit by providing general regulation and improving consumer information standards.
- Promoting Black economic empowerment and ownership within the consumer credit sector.
- Prohibiting unfair credit and credit-marketing practices.

- Promoting responsible credit-granting and usage, specifically prohibiting reckless credit-granting.
- Providing avenues for debt reorganisation in instances of consumer over-indebtedness.
- Regulating industry participants by establishing a registration framework for all credit bureaus, credit providers, debt counsellors, payment distribution agents, and alternative dispute resolution agents.
- Establishing consistent national norms and standards pertaining to consumer credit.
- Promoting a uniform and consistent enforcement framework related to consumer credit regulations.
- Establishing the NCR and the National Consumer Tribunal (NCT).
- Promoting and advancing the social and economic welfare of South Africans by promoting 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 the informal resolution of disagreements between consumers and various industry participants, including credit providers, credit bureaus, and debt counsellors.
- Receiving and processing complaints concerning contraventions of the NCA.
- Monitoring the consumer credit market and industry to prevent, detect, and initiate prosecution for non-compliance.
- Investigating and evaluating alleged breaches of the NCA's regulations.
- Issuing and enforcing official compliance notices when contraventions are identified.
- Negotiating and finalising undertakings and consent orders in order to resolve consumer complaints.
- Referring cases to the NCT for matters requiring a formal legal decision.

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.
- Performing reasonable, periodic audits of registered credit providers' historical data regarding credit applications and agreements.
- Monitoring trends within the consumer credit market and industry.
- Reviewing existing legislation and regulations, and reporting on consumer credit matters to the Minister of Trade, Industry and Competition.

The NCR promotes public awareness regarding consumer credit matters by conducting consumer credit advocacy and awareness activities.

The NCR is further mandated by the NCA 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 mandate of the NCR is informed and governed by the following legislative framework, including but not limited to the legislations listed below:

Legislation	Description
National Credit Act, 34 of 2005	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.
Public Finance Management Act, 1999 (Act No. 01 of 1999),	To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.
Protection of Personal Information Act (Act No. 4 of 2013)	To promote the protection of personal information processed by public and private bodies.
Consumer Protection Act, 68 of 2008	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection.
Promotion of Administrative Justice Act (Act 3 of 2000)	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Promotion of Administrative Justice Act (Act 3 of 2000)	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Financial Intelligence Centre Act (No, 38 of 2001)	To establish a Financial Intelligence Centre and a Money Laundering Advisory Council in order to combat money laundering activities and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering purposes and the financing of terrorist and related activities.
Banks Act (Act 94 of 1990)	To provide for the regulation and supervision of the business of public companies taking deposits from the public; and to provide for matters connected therewith.
Mutual Banks Act (No.124 of 1993)	To provide for the regulation and supervision of the activities of juristic persons doing business as mutual banks; and to provide for matters connected therewith
Financial Sector Regulation Act (No.9 of 2017)	To improve market conduct in order to protect financial customers; to provide for co-ordination, co-operation, collaboration and consultation among the Reserve Bank, the Prudential Authority, the Financial Sector Conduct Authority, the National Credit Regulator, the Financial Intelligence Centre and other organs of state in relation to financial stability and the functions of these entities;
Employment Equity Act 55 of 1998	The purpose of the Act is to achieve equity in the workplace, by Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
Electronic Communications and Transaction Act (No.25 of 2002)	To provide for the facilitation and regulation of electronic communications and transactions
Insolvency Act (No.32 of 1916)	To consolidate and amend the law relating to insolvent persons and to their estates.
Magistrates' Court Act (No.32 of 1944)	To consolidate and amend the law relating to Magistrates' Courts.
Superior Courts Act (No.10 of 2013)	To rationalise, consolidate and amend the laws relating to the Constitutional Court, Supreme Court of Appeal and the High Court of South Africa.
Criminal Procedure Act (No.51 of 1977)	To make provision for procedures and related matters in criminal proceedings.
Promotion of Access to Information Act (No. 2 of 2000)	To give effect to the constitutional right of access to information held by the State or private bodies.

2. Updates to institutional policies and strategies

There were no major changes to legislation and/or policies during the period. However, developments under the NCA are noteworthy. The Act empowers the Minister of Trade, Industry and Competition to make regulations following public consultation and publication in the Gazette. In September 2025, after receiving more than 20 000 public responses, the Minister withdrew draft regulations that had proposed listing educational institutions as originators of credit information. This decision fell within the Minister's powers under section 171(2)(b) of the NCA, which also provides for consultation with the NCR in the regulatory process.

In the 2025/26 financial year, The NCR embarked on a review of selected National Credit Regulations. Regulations 17, 18, 19, 23A, 24, 28, 29, 30 and 31(4) and other, identified critical reforms to strengthen South African's consumer credit regulatory framework. The proposed amendments are structured around three interconnected priorities: (1) consumer protection, (2) improvement of credit information reporting, and (3) enhancement of the National Credit Regulator's regulatory oversight. Cutting across all three, is the imperative to expand fair and responsible access to credit for small businesses, a cornerstone of inclusive economic growth. The NCR Regulatory Review Report proposes targeted amendments to the reviewed regulations, including recommendations for tailored affordability assessments for small businesses, as well as accurate and separated business credit record. The Regulatory Review Report has been submitted to the Honourable Minister for approval.

The NCR's policy mandate continues to be guided by the directives of its responsible department, the Department of Trade, Industry and Competition (dtic) as follows:

Policies/ Strategies	Description	NCR Contribution
Medium-Term Development Plan 2024 – 2029 as envisioned by the NDP 2030	<p>The National Development Plan is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems.</p> <p>The Medium-Term Development Plan (MTDP) 2024 – 2029 is the government's monitoring framework for the NDP Five-Year Implementation Plan during the electoral cycle. It reflects how the government will measure its progress against the commitments made in the election manifesto of the governing party and the NDP Five-Year Implementation Plan. It is a basis for measurement of government performance and must be aligned with measurement of performance at the national, provincial, and local government spheres.</p> <p>MTDP 2024-2029 has three (3) strategic priorities for which specific interventions and targets have been set:</p> <p>Priority 1: Drive Inclusive growth and job creation</p> <p>Priority 2: Reduce poverty and tackle the high cost of living</p> <p>Priority 3 Building a capable, ethical and developmental state</p>	<p>Economic transformation and equitable inclusion of designated groups (women, youth and persons with disabilities) for a just society.</p> <p>Creation of youth employment.</p> <p>Enforcement of the NCA for all non-compliance identified.</p> <p>Financial redress for consumers through enforcement of the NCA.</p> <p>Reduced financial distress and over-indebtedness.</p>
Industrial Policy	<p>The role of industrial policy is to unleash private investment and energise the state to boost economic growth and inclusion. This is an essential part of building investor confidence and the platform for job-creation.</p>	<p>The NCR produces credible credit market intelligence and research insight to influence evidence-based regulation within the Credit market industry.</p> <p>The NCR is further mandated by the NCA 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.</p>

Policies/ Strategies	Description	NCR Contribution
Implementation Plan to Drive Growth and Inclusion	<p>The Implementation Plan to Drive Growth and Inclusion outlines a coherent and focused implementation plan to improve execution of existing policy commitments, and to address emerging challenges in the domestic and global context. In particular, we need to double down on:</p> <ul style="list-style-type: none"> Reducing poverty and addressing the high cost of living Reaffirming the NDP and its objectives of eliminating poverty, reducing inequality, and creating employment 	The NCR contributed through increased efficiency in registration of MSMEs inclusive of women, youth and persons with disabilities, to facilitate economic inclusion, job creation, access to the credit market and red tape reduction.
DTIC Youth Jobs Action Plan	The aim of the action plan is to scale up hiring of young people into new entry-level formal jobs added to the economy.	Prioritisation of creation of youth employment.
Digital transformation	The digital transformation agenda of the Department of Trade, Industry and Competition is driven by its Digital Business Transformation Strategy (DBTS), which focuses on modernising how the department delivers services and engages with stakeholders. This includes the adoption of technologies such as cloud computing, business intelligence, and web-based process automation to enhance operational efficiency and service delivery.	The NCR has embarked on a Business Process Re-engineering and Enterprise Systems Architecture project aimed at automating its operational service delivery functions. This initiative will enable the NCR to become more responsive, efficient, and consumer-centric, ultimately enhancing the overall experience and protection of credit users. In addition, automation will improve turnaround times, reduce red tape, and facilitate greater ease of doing business.

In an effort to keep policies current and up to date a policy review committee has been established with a mandate to focus on regulations and to assist the dtic with the enhancement of regulatory efficiency. In an inaugural meeting the committee requested departmental managers with outdated policies to submit their policies for review. These policies will be presented to the committee, who will deliberate on suggested updates. The following institutional policies govern the NCR's internal environment:

<ul style="list-style-type: none"> Financial Delegation of Authority Policy Consumer Refund Policy Complaints Department Policy Credit Provider Compliance Policy Credit Bureau Compliance Policy Debt Counselling Policy Interest Utilisation Policy Unidentified and Undistributed Funds Policy Communications Policy Corporate Identity Policy Publications Policy Workshop and Public Awareness Policy Language Policy Asset Management Policy Petty Cash Policy Cash, Banking, and Investment Management Policy Month-end Policy 	<ul style="list-style-type: none"> Disciplinary and Grievance Policy Performance and Bonus Policy Medical Aid Subsidy Policy Career Management Policy Code of Conduct and Conflict of interest Policy Remote Working Policy Workplace Harassment Policy Enterprise Information Security Policy User Access Management Policy IT-DR Policy Backup & Recovery Policy Change Control Policy Active Directory SOP ICT Portfolio Management Policy Leave Policy Acting Policy 	<ul style="list-style-type: none"> Fraud Prevention Policy Performance Information Policy Risk Management Policy Risk Appetite and Tolerance Policy Framework Business Continuity Management Policy and Plan Combined Assurance Policy OHS Policy Statistics and Research Policy Framework ICT Strategy and Enterprise Architecture Mobile and 3G Policy Investigations & Enforcement Policy SCM Policy Registration Policy Budget and Reporting Policy Expenditure and Accounts Payable
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3. Update on relevant court rulings

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

No.	Matter name	Court and case reference number	Legal issues and status
1.	MFSA vs the Minister of Trade and Industry and the NCR	North Gauteng High Court Case No 59612/17	<p>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.</p> <p>At given stage no risk of adverse cost orders.</p>
2.	Bridge vs NCR	North Gauteng High Court Case No 87768/14	<p>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.</p> <p>Liquidation against Bridge dismissed. NCR awaits the judgement from the Supreme Court of Appeals.</p>
3.	BMW vs NCRz	National Consumer Tribunal NCT/93829/2017/56(1) A288/2021	<p>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.</p> <p>Appeal argued on 22 August 2024, and judgment granted against NCR on 12 September 2025. Application for leave to appeal to the Constitutional Court was served and filed on 08 October 2025. Matter ongoing as application for leave to appeal is opposed by BMW.</p>
4.	VW vs NCR	Tribunal Case No: NCT/94937/2017/56(1) Pretoria High Court: A104/19	<p>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.</p> <p>Appeal argued on 22 August 2024, and judgment granted against NCR on 12 September 2025. Application for leave to appeal to the Constitutional Court was served and filed on 08 October 2025. Matter ongoing as application for leave to appeal is opposed by VW.</p>
5.	Mercedes Benz vs NCR	Tribunal Case No: NCT/107156/2018/56(1)	<p>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.</p> <p>Appeal argued on 22 August 2024, and judgment granted against NCR on 12 September 2025. Application for leave to appeal to the Constitutional Court was served and filed on 08 October 2025. Matter ongoing as application for leave to appeal is opposed by Mercedes Benz.</p>

No.	Matter name	Court and case reference number	Legal issues and status
6.	NCR vs Marylee Govender (DC)	Tribunal NCT/122481/2018/138(1)	The matter is regarding the DC having contravened and utilised unregistered debt counselors and placing consumers under debt review without consent. Matter is pending finalisation by the court and awaiting judgment.
7.	Asia Lamara vs NCR	Tribunal: NCT/102200/2018/57(1) Appeal PTA High Court: A15/2020	The NCR initiated an investigation against the Respondent on reasonable suspicions she was allowing unregistered agents to function as debt counsellors; failure to adhere to time periods; failure to make a determination in prescribed period; failure to refer matters timeously. Matter was referred to the NCT and NCT ruled in favor of the NCR. Proceeding with cost recovery and awaiting date of taxation. Bill of cost drafted and taxed. Asia Lamara cannot be found despite two tracers' attempts. NCR to pursue an application for a warrant of arrest.
8.	Xcelsior & another vs NCR	Tribunal: NCT/111201/2018/57(1) Review PTA High Court: 4350/2020	<p>On 17 July 2018 the NCR launched cancellation application at the NCT based on reckless credit and costs of credit infringements.</p> <p>NCR applied for leave to amend/supplement founding papers which was granted by NCT on 12 September 2019.</p> <p>On 22 January 2020, Xcelsior launched review application in the PTA High Court, to set aside NCT's interlocutory judgment granting NCR leave to amend/supplement.</p> <p>On 02 February 2022 under case number 4850/2020, the High Court set aside the NCT judgment of 12 September 2019 and remitted the matter to the NCT to consider afresh.</p> <p>The NCR appealed the High Court judgment to the Supreme Court of Appeal.</p> <p>On 17 October 2023 under SCA case number 707/2022, the Supreme Court of Appeal dismissed the NCR's appeal and confirmed the High Court's ruling of 2 February 2022.</p> <p>The remitted condonation application was set down for consideration by NCT on 29 March 2024 and refused, not in favour of NCR.</p> <p>Main matter (initial application) was postponed for NCR to serve and join liquidator to the application. Matter set down for hearing on 23 July 2025.</p> <p>On 1 December 2025 the NCT ruled for the main matter to be set down de novo (afresh) and the register to ensure the set down is properly and timeously served on all parties.</p> <p>The proceedings against the second respondent [Xcelsior Financial Services (Pty) Ltd (In Liquidation)] are considered abandoned in terms of Section 359(2)(b) the old Companies Act, unless the High Court directs otherwise. The NCR may approach the High Court for such direction should it wish to proceed against the second respondent.</p> <p>On 09 March 2026, the matter set down for hearing to commence afresh as First Responded, Xcelsior Financial Services was not properly notified of the hearing.</p>

No.	Matter name	Court and case reference number	Legal issues and status
9.	First Group Holdings v NCR	Tribunal: NCT/223375/2022/140 Appeal to HC Pretoria: A32/2023	Matter is regarding the interpretation of the Plascon Evans Rule, emanating from a point in limine only raised by first group during Tribunal proceedings on 18 January 2023. The Tribunal provided order in favor of the NCR on 18 January 2023 and First Group filed an appeal on 8 February 2023. Matter heard in Pretoria High Court and an order was awarded against the NCR on 9 September 2023. NCR filed leave to further appeal on 9 October 2023 in High Court. Matter heard on 28 November 2023. Judgement received and appealed by NCR. Matter was heard at the Supreme Court of Appeal on 25 August 2025, and we await judgment.
10.	NCR vs Stelland Finansies	NCT/38718/2016/140(1)	An investigation on reasonable suspicion was conducted by the NCR and the following contraventions were noted as: Failure to conduct affordability assessments, extending reckless credit; overcharging cost of credit i.e., interest; prohibited charges. Matter was heard on 29 May 2024 resulting in an unfavourable judgement. Attorneys and counsel instructed on application for leave to appeal. We await set down date.
11.	NCR v LSS Cash Loans Pty LTD	Tribunal: NCT/3211448/2024/ S140(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, levying prohibited charges. Failure to provide pre-agreements in the prescribed form. Matter was heard on 9 January 2025, resulting in a favourable judgment for the NCR. An administrative fine of R1 000 000 was order by the Tribunal, marking a significant milestone for the Regulator. A letter of demand has been served on the Respondent to comply with the Tribunal order.
12.	NCR v The Loan Company Pty LTD.	Tribunal: CT/140518/2019/140(1) Appeal to High Court Pretoria: A235/2021 Supreme Court of Appeal: 1104/2023	<p>The NCR conducted an investigation based on reasonable suspicion that the entity extended credit and advertised availability of credit whilst being unregistered, charged cost of credit not in line with the provisions of the Act, Upon consumers failing to repay the loaned amount, the entity would sell the pawned goods and retain the entire proceeds, even when the sale amount far exceeded the outstanding debt and lawful charges.</p> <p>The Tribunal ruled in favour of the NCR and the Loan Company appealed the judgment.</p> <p>The High Court dismissed the appeal and confirmed the Tribunal's order.</p> <p>The Loan Company appealed the High Court judgment.</p> <p>The Supreme Court of Appeal upheld the Tribunal's orders, including the declaration that the credit agreements were void, the order to refund consumers for unlawfully collected money, and payment of the administrative fine.</p> <p>A letter of demand has been served on the Respondent to comply with the Tribunal order.</p> <p>Matter is ongoing.</p>



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

- Experience in the provision of core services of the mandate of the NCR.
- Good corporate governance.
- Knowledgeable, skilled personnel with adequate experience.
- Revenue generation through registration fees.
- In-house IT support and systems.
- Effective communications and customer relations.
- Organisational culture and ethics.



WEAKNESSES

- Outdated IT infrastructure.
- Staff retention, instability, and continuity.
- Too much dependency on consultants.
- Lack of national footprint.



SWOT

OPPORTUNITIES

- Positive public perception of the NCR.
- Good contributor to job creation (training of interns).
- Implementation of the Information and Communication Technology (ICT) Strategy.
- Improved stakeholder network.
- Alternative sources of funding and partnership opportunities (potential funding sources).
- Job evaluations and salary benchmark.



THREATS

- Non-retention of critical skills and experienced personnel.
- Staff turnover due to competitive salaries in the market.
- Reduction of funding/budget.
- Low staff morale.
- Budgetary constraints resulting from low revenue generation.
- Government of national unity – potential re-integration of entities.
- Leadership instability – interim accounting authority can be replaced at any time.
- Administrative changes (including in priorities – need to be alert and responsive to that).
- Funding, grants, and budget allocations based on the above.



5. Situational analysis

The NCR operates in a dynamic environment shaped by socio-economic pressures, rapid digitisation, and regulatory reform. Persistent challenges include an outdated cost-of-credit fee structure that constrains financial sustainability, rising demand for regulatory services, and the need to modernise ICT systems. Leadership transitions, capacity constraints, and occupational health and safety requirements further add to the complexity of the operating environment.

1.1 The medium-term development plan priorities

The Medium-Term Development Plan (MTDP) and National Development Plan (NDP) focuses on three primary objectives to address South Africa's socio-economic challenges:

- (i) Inclusive Economic growth and Job creation.
- (ii) Reduced poverty and reducing the high cost of living.
- (iii) Build a capable, ethical and developmental state.

Within its mandate, the NCR contributes to these objectives by supporting five of the dtic's core output targets; namely work experience, MSME support, transformation, red tape reduction, and subsistence farming. The NCR aims to address South Africa's key socio-economic challenges over the next five years. Its main aim includes:

Access to credit market and promote the ease of doing business:

The NCR is committed to improve access to finance for businesses through enhanced availability of credit risk information. The regulator also is committed to improve credit market intelligence and regulatory decision-making through a centralised MSMEs credit information sharing to the credit bureaus. In partnership with the International Finance Corporation (IFC), the NCR is advancing Phase 2 of the South Africa Credit Reporting and Financial Inclusion (SACFRI) agreement. Building on the successes of Phase 1, this initiative strengthens creditworthiness assessments by promoting the use of alternative data such as rental histories and small retailer trading accounts. This work reflects the NCR's international contribution to global credit reporting developments and supports financial inclusion for vulnerable consumers and MSMEs.

• Red tape reduction

The NCR has increased efficiency in registration of persons and entities to facilitate economic inclusion, job creation, access to the credit market and red tape reduction. Innovation in credit reporting, the adoption of alternative data, and collaboration through platforms such as the Inter-Governmental Innovation Hub and the Credit Industry Forum (CIF) are reshaping the regulatory landscape. In partnership with the IFC, the NCR is advancing the use of alternative data such as rental histories and small retailer trading accounts to strengthen creditworthiness assessments. Following a diagnostic study in 2022, a Phase 2 Cooperation Agreement was signed to promote adoption, with the IFC providing advisory and technical support. The NCR participates in the Innovation Hub, a collaboration among financial regulators under the Intergovernmental Fintech Working Group (IFWG). The hub provides a safe space to test innovative ideas in financial services. The CIF continues to drive industry solutions through five sub-committees. One has completed its work, while four remain active, focusing on: Debt Counselling Rules System (DCRS); Alternative Dispute Resolution Agents (ADRAs); Debt Counselling Fee Guidelines; Task Team Agreements Review and Enforcement.

• Consumer Protection:

The NCR has dedicated resources committed to improving consumer awareness and understanding of consumer rights and obligations under the NCA. The Regulator also provides support to new registrant entering the credit market through workshops on compliance of the NCA. The regulator has strengthened its compliance rate through enforcement of the NCA where

contraventions were identified. In debt counselling, the NCR has strengthened enforcement, published new guidelines, and initiated the development of an occupational qualification to improve professional standards. Debt counsellors (DCs) found to be in contravention of the Act have had their matters referred to the NPA, with consideration being given to the application of additional provisions, including Section 140. The cases have been formally opened with the Hawks, as these matters fall outside the jurisdiction of the SAPS and are classified as specialised commercial crimes. The investigations may result in the arrest of the implicated debt counsellors, possible refunds to affected consumers, and the imposition of administrative fines or other legal sanctions.

• Policy reform

Legislative reform, particularly the review of the National Credit Act, offers the potential to expand financial inclusion and address systemic gaps such as the lack of business credit reporting for micro, small and medium enterprises (MSMEs). The NCR has completed initial proposed amendments aimed at expanding inclusion and addressing the lack of business credit reporting for MSMEs. An internal working group will continue this process, with ongoing guidance from the dtic. Engagements with policymakers are ongoing to advocate for a revised, sustainable cost-of-credit fee structure that reflects current market realities. Reform in this area is critical to stabilising registrant conditions, improving service delivery, and reducing financial exclusion. Legislative reform remains a priority to ensure that the regulatory framework keeps pace with market developments and continues to protect consumers effectively.

• Inclusive economy participation and transformation:

The NCR plays a role through Economic transformation and equitable inclusion of designated groups (MSMEs inclusive of women, youth and persons with disabilities) for a just society. Development and support of MSMEs, inclusive of women, youth and persons with disabilities through issuing of purchase orders to designated groups.

Digital transformation:

Over the medium term, the NCR will accelerate ICT modernisation to ensure regulatory processes keep pace with the increasingly sophisticated systems used by credit providers. This initiative will modernise internal processes, strengthen regulatory capacity, and ensure systems remain robust and adaptable to global developments. 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. In addition, the organisation will explore partnerships and external support to supplement funding for strategic projects. ICT modernisation remains a priority. To improve operational efficiency, the NCR has embarked on an automation project with the IFC, including the development of a roadmap for acquiring an Operational Management Information System (OMIS).

Stakeholder collaborations and partnerships

As a member of the International Committee on Credit Reporting (ICCR), the NCR undertook to collaborate with the International Finance Corporation (IFC) on various projects to improve credit information reporting in South Africa:

- 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.
- The use of alternative data to broaden access to the consumer credit market. Under Phase 1 of the cooperation agreement, the NCR and the IFC have carried out a diagnostic study to determine the nature of alternative data available in the country. Phase 2 entails promoting the adoption and usage of alternative data by integrating and completing ongoing work initiated during Phase 1. Phase 2 was launched in 2024.

Other strategic partnerships include an MoA with the South African Credit and Risk Reporting Association (SACCRA) and the Credit Bureau Association (CBA) to support the transmission of consumer credit information data via the Data Transmission HUB. Through this strategic partnership agreement, commercial credit reporting for micro, small and medium enterprises will be supported through the Business Credit and Risk Information Sharing Initiative (BusCRI).

Under the Financial Sector Regulation Act, 2017, the NCR was established as a member of the Financial Stability Oversight Committee (FSOC). This committee serves as a forum to be informed and to exchange views, about the activities regarding financial stability. The NCR has provided bi-annual feedback to the FSOC in terms of debt review process, statistics and trends as well as progress on the establishment of a credit registry in strengthening South Africa's financial stability oversight mechanisms.

Under the same act, the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) must co-operate with and assist the National Credit Regulator in order to achieve objectives. To this end, the NCR attended a collaboration workshop with the FSCA during 2024/25 to establish whether the contents of the MoU require a review. During the discussion in the meeting, both parties agreed that the MoU does not require any amendments. The need for a periodical review of the MoU with the PA has not been established, and the current contents of this MoU will also remain unchanged.

Youth employment opportunities created:

Building human capital and reducing youth unemployment is a focus for the NCR. The NCR creates employment pathways for young people through:

- Internship programmes for graduates in areas such as law, risk, compliance, ICT, finance, and research.
- Recruitment of new personnel that are youth and persons with disabilities.

Together, these challenges, opportunities, and partnerships define the NCR's performance environment and underscore the need for resilience, innovation, and alignment with national priorities to protect and enhance consumer confidence and foster a sustainable, inclusive credit market. These challenges underscore the need for funding reform, ICT modernisation, leadership stability, and capacity strengthening within the NCR. Without addressing these constraints, the organisation risks falling behind in regulating a rapidly digitising and increasingly complex credit market. Strategic priorities must therefore include advocating for a revised and sustainable fee structure, securing long-term funding, accelerating digitisation projects, updating internal policies, and deepening partnerships to ensure consumer protection remains effective and credible.

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

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.

The NCR published the Consumer Credit Market Report (CCMR) and the Credit Bureau Monitor (CBM), which are based on data submitted by the registered credit providers and credit bureaus respectively. The latest edition of the reports covers credit market information up to June 2025. All credit types granted increased this quarter except developmental credit. The banking sector constitutes almost 80% of total credit granted. The total value of new credit granted increased by 6.49% quarter-on-quarter from R146.58 billion to R156.09 billion. The number of credit agreements entered into increased by 5.06% quarter-on-quarter from 5.06 million to 5.32 million.

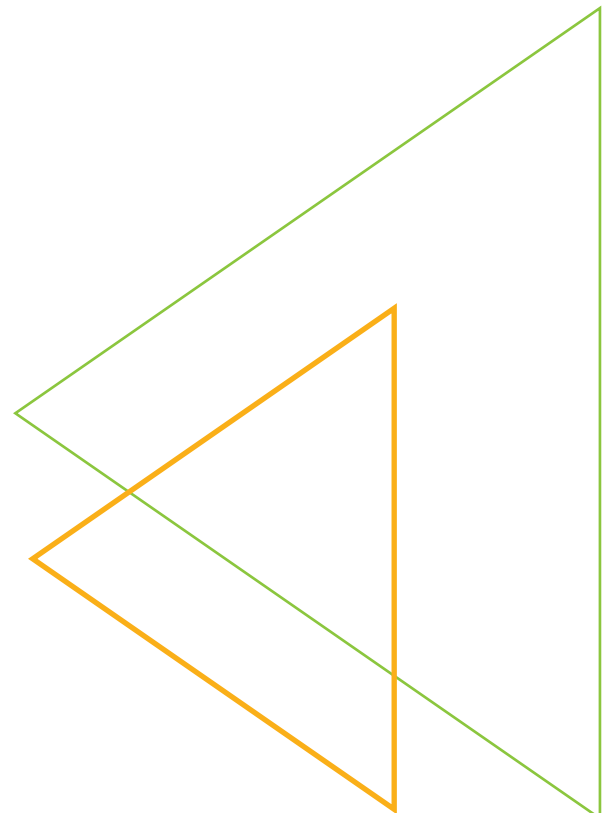
The following were some of the most significant trends observed in terms of credit granted for the quarter ended in June 2025:

- The value of new mortgages granted increased by R7.05 billion (16.99%) quarter-on-quarter and by R2.96 billion (6.49%) year-on-year.
- Secured credit, which is dominated by vehicle finance, increased by R1.80 billion (3.61%) quarter-on-quarter, and by R7.15 billion (16.02%) year-on-year.
- Credit facilities increased by R37.20 million (0.15%) quarter-on-quarter and by R964.21 million (4.10%) year-on-year.
- Unsecured credit increased by R1.45 billion (5.58%) quarter-on-quarter and by R4.97 billion (22.10%) year-on-year.
- Short-term credit increased by R182.65 million (5.77%) quarter-on-quarter and by R253.46 million (8.19%) year-on-year.

The total outstanding consumer credit balances (or gross debtor's book) as at June 2025 was R2.44 trillion, representing an increase of 0.57% quarter-on-quarter and by 2.78% year-on-year. The trends for outstanding balances for the quarter ending June 2025 were as follows:

- Mortgages debtors' book increased by R6.06 billion (0.48%) quarter-on-quarter and by R28.77 billion (2.32%) year-on-year.
- Secured credit debtors' book increased by R6.99 billion (1.31%) quarter-on-quarter and by R28.55 billion (5.57%) year-on-year.
- Credit facilities debtors' book increased by R2.12 billion (0.61%) quarter-on-quarter and by R14.89 billion (4.44%) year-on-year.
- Unsecured credit debtors' book decreased by R1.36 billion (0.64%) quarter-on-quarter and by R5.15 billion (2.39%) year-on-year.
- Short-term credit debtors' book increased by R97.54 million (3.36%) quarter-on-quarter and by R224.87 million (8.11%) year-on-year.

Credit bureaus held records for 29.24 million credit-active consumers, which was an increase of 1.18% when compared to 28.90 million in the previous quarter. Consumers classified in good standing increased by 213 114 to 18.70 million. This amounts to 63.95% of the total number of credit-active consumers. The number of credit-active accounts increased from 101.26 million to 104.11 million in the quarter ended June 2025. The number of impaired accounts decreased from 20.68 million (20.42%) to 20.52 million (19.71%) in June 2025.



6. External environment analysis

South Africa is significantly affected by global issues such as volatile geopolitical shifts, climate change, the lingering effects of the COVID-19 pandemic, and global economic slowdowns. These exacerbate the country's so-called "triple challenges" of unemployment, inequality, and poverty. These global factors interact with and worsen domestic problems like high crime rates, the water and energy crises, and social fragmentation. The following PESTEL factors in the external environment are relevant in informing the NCR's strategy:

- **Political and geopolitical dynamics shaping economic recovery and regulation**

South Africa's 30th year of democracy was marked by free and fair elections and the peaceful transfer of power to a government of national unity. This milestone, alongside strengthened partnerships between government and the private sector, has supported economic recovery efforts focused on electricity security, transport and logistics, and tackling crime and corruption. The first phase of this partnership achieved notable successes, and ambitious targets have been set for the second phase, including a 3% growth rate and the creation of hundreds of thousands of jobs. Within its mandate, the NCR contributes to these objectives by supporting five of the dtic's core output targets; namely work experience, MSME support, transformation, red tape reduction, and subsistence farming.

Despite these positive developments, corruption continues to undermine governance and delay progress in service delivery. Domestically, South Africa's economy struggles with low growth, inequality, unemployment, and persistent poverty. These challenges are compounded by global geopolitical tensions, including the ongoing Russia-Ukraine war and Middle East conflicts such as the Israel-Hamas war, which risk drawing Africa into proxy disputes. Such instability threatens security, foreign investment, and trade relationships, directly influencing South Africa's economic rebuilding efforts.

The broader geopolitical landscape is shifting, with South Africa navigating realignment through a non-aligned but principled foreign policy stance. Engagement in blocs such as BRICS+ provides opportunities for development funding and amplifies the voice of the Global South, but also risks alienating traditional Western partners and invites scrutiny regarding human rights records of allied nations. South Africa has also assumed a prominent role in international justice forums, most notably by instituting proceedings against Israel at the International Court of Justice (ICJ), a move with significant diplomatic implications.

Political conditions directly shape the NCR's regulatory landscape. Shifting government priorities on consumer protection and financial inclusion, budget constraints affecting regulatory capacity, political pressure for debt-relief measures, and dependence on coordination with agencies such as the dtic, South African Police Service (SAPS), and NCT all influence

the NCR's ability to deliver on its mandate in a complex and evolving environment.

- **Economic environment and credit market pressures**

South Africa's economy continues to struggle with low growth, inequality, and unemployment leading to persistent poverty. These conditions directly impact credit markets and consumer behaviour as unemployment and economic downturns lead to more disputes, debt review cases, and increased consumer vulnerability. High household debt levels intensify the need for monitoring and enforcement, placing greater responsibility on the NCR.

In November 2025, the Monetary Policy Committee (MPC) of the South African Reserve Bank reduced the repo rate to 6.75% and the prime rate to 10.25%. While services inflation is somewhat higher, it remains below the 4.5% target midpoint. According to Statistics South Africa, annual consumer price inflation was 3.5% in November 2025, down from 3.6% in October 2025. Economists expressed concern that real (inflation-adjusted) interest rates remain too high given the sluggish local economy, indicating a need for further interest rate relief. High interest rates exacerbate the cost-of-living crises, driving greater reliance on credit, higher default risks, and the growth of informal lenders ("mashonisas"). Looking ahead, anticipated repo rate reductions are expected to provide some relief to indebted consumers and improve repayment capacity.

Globally, economic instability compounds South Africa's challenges. Trade disruptions, commodity price volatility, and supply chain shocks expose the economy to external risks. Slow GDP growth has resulted in stagnant real per capita income for more than a decade, while global inequality trends deepen South Africa's triple challenges of poverty, inequality, and unemployment. The digital divide further highlights structural inequities, as large portions of the population lack universal internet access, limiting participation in the global digital economy and reinforcing socioeconomic disparities.

- **Social trends and vulnerabilities**

Several social dynamics continue to shape consumer behavior and overall societal stability in South Africa. As the youth population increasingly enters the credit market, low levels of financial literacy heighten consumer vulnerability and drive the need for stronger education and awareness initiatives. Public mistrust, stemming from past credit abuse, has also created demand for stricter regulation and oversight within the financial sector.

Food security remains a pressing concern. According to Stats SA, annual food inflation subsided to 5.2% in August 2025, down from 5.9% in September 2024. While this moderation is positive, the Human Sciences Research Council's National Food and Nutrition Security Survey (2021–2023), covering 34

500 households, revealed that more than 60% of households experience some form of food insecurity, and over 40% cannot afford nutritious items.

This underscores a deepening malnutrition crisis despite easing inflationary pressures. Poverty and unemployment continue to weigh heavily on the population. The unemployment rate stood at 31.9% in quarter 3 of 2025, translating to approximately 8 million individuals without work, while more than 60% of the population lives below the poverty line. These challenges were exacerbated by the COVID-19 pandemic, which also strained health systems and exposed vulnerabilities. Permanent pandemics such as HIV/AIDS and tuberculosis remain significant burdens, with South Africa recording one of the highest HIV/AIDS infection rates globally, impacting labour productivity and healthcare costs.

High levels of inequality, intensified by the pandemic, contribute to social instability and declining social cohesion. This environment is further complicated by persistently high rates of violent crime, including murder, rape, and gender-based violence, which have been identified as national crises. Xenophobia and discrimination against migrants remain widespread, often fueled by unfounded claims linking foreigners to crime and unemployment. Human rights concerns are also prevalent, with women, children, and the LGBTI community frequently facing violence and limited access to justice and essential services. Broader migration patterns, combined with anti-immigrant rhetoric in local politics, exacerbate social tensions and challenge the protection of migrants and asylum seekers, while issues such as human trafficking remain unresolved.

- **Technological transformation and the Fifth Industrial Revolution (5IR)**

Technology is rapidly reshaping the credit market, creating new opportunities while introducing significant risks. The growth of fintech and digital lending platforms, including the use of alternative data, is expanding access to credit but also challenging traditional models. At the same time, cybersecurity and data-privacy risks pose serious threats to credit providers and bureaus. The rise of AI-driven credit scoring raises concerns about transparency, fairness, and potential bias, while integration challenges with national and industry databases complicate efforts to ensure consistency and compliance.

Looking ahead, the Fifth Industrial Revolution (5IR) is expected to significantly transform South Africa's consumer credit market. Building on the digitisation, AI, and data analytics advances of the Fourth Industrial Revolution (4IR), 5IR emphasises human-centered technology, ethics, and sustainability. This shift aims to create deeper connections between humans and machines, ensuring that technology serves people more responsibly.

With 5IR technologies, credit providers will be able to offer highly tailored financial products. AI-driven insights can enable customised credit assessments, extending financial services to previously underserved populations by better understanding individual credit behaviors and needs. This has the potential to improve accessibility for South Africa's diverse demographics, including those with limited credit histories, and aligns with the NCR's ongoing work on alternative data sources.

While 5IR opens up unprecedented opportunities and benefits for consumers, it also places greater demands on the NCR. The regulator must strengthen its ICT infrastructure and skills to monitor new credit products and marketing practices, ensuring consumers, particularly vulnerable groups such as women and youth, are protected against debt traps in an increasingly complex digital environment.

- **Environmental and infrastructure pressures**

South Africa's energy and water challenges continue to shape the socioeconomic landscape. For the most part, loadshedding has been suspended since March 2024, with only 26 hours of loadshedding recorded between 1 April and 28 August 2025. The country has enjoyed more than 352 days of uninterrupted power supply in the 2025 financial year. However, water supply has become increasingly strained, particularly in Gauteng, where Johannesburg, Tshwane, and Ekurhuleni face severe shortages due to mismanagement, outdated infrastructure, rapid urbanization, and erratic rainfall linked to climate change. Experts warn of a potential "Day Zero" crisis if these issues remain unresolved.

This poly-crisis leaves consumers in a precarious position. Rising living costs, coupled with water insecurity and environmental strain are expected to drive greater reliance on credit. The NCR anticipates increased borrowing, heightened vulnerability to unethical lending practices, and a growing number of over-indebted consumers. In September 2025, private debt stood at 67.96% of GDP, only a slight increase from the previous quarter, and underscores the scale of household financial stress. Over-indebtedness reduces disposable income, forcing many households into a downward debt spiral.

South Africa's environmental vulnerabilities compound these pressures. As a water-scarce country, it faces more frequent droughts and extreme weather events, including heatwaves, flooding, and storms, which threaten infrastructure, food security, and repayment ability. Heavy reliance on coal for energy adds to global climate concerns and creates challenges for a just transition to renewable energy. International pressure to shift toward green industries presents both opportunities and risks for the economy and labour market. These environmental and infrastructure strains indirectly affect credit markets by destabilising consumer and business resilience, increasing default risks, and accelerating the need for sustainable finance standards.

- **Legislative and Regulatory framework**

The operations of the NCR are strongly influenced by legislation and compliance requirements. Amendments to the National Credit Act continue to affect operational processes, while court rulings play a critical role in shaping interpretations of affordability assessments and debt review provisions. The NCR must also coordinate with the Consumer Protection Act, given areas of overlap that require alignment across regulatory bodies. Persistent challenges include regulating illegal lenders and proving cases of reckless lending, which demand significant enforcement capacity. In addition, the NCR seeks to align its practices with international responsible-lending standards, ensuring that South Africa's credit market remains fair, transparent, and globally consistent.

- **Industrialisation and national development priorities**

The 7th Administration has prioritised industrialisation to meet the targets outlined in the National Development Plan (NDP). Following the launch of the National Industrial Policy Framework (NIPF), the dtic and other government departments, in collaboration with social partners, have implemented industrial policy interventions across priority economic sectors.

The National Industrial Policy aims to foster industrial growth and economic transformation, thereby generating essential employment opportunities for South African citizens. This is achieved by pursuing three core missions:

- Decarbonisation
- Digitalisation
- Diversification

Together, these missions support the overarching vision of the NDP and industrial policies.

The policy seeks to establish a new model of growth and economic inclusion that unites South Africans in the economy and promotes inclusive industrial, geographical, and

demographic transformation. A particular emphasis is placed on gender-sensitive industrialisation, aimed at enhancing women's participation in economic activities by removing historical barriers to entry.

A key task for policy-makers is to create regulations and conditions that provide opportunities for enterprises in both the informal sector and SMMEs, with a specific focus on women-owned businesses, to grow and contribute positively to the economy. The NCR plays a crucial role in developing these regulations, drawing on research and studies of the credit market to facilitate access to financing instruments.

In alignment with these national priorities, the NCR's strategic focus includes:

- Establishing a business credit and risk reporting ecosystem to facilitate the sharing of credit business information and enhance the visibility of small businesses to lenders.
- Advancing credit information sharing through the development of a public credit registry, designed to support microprudential supervision, risk monitoring, financial stability, policy formulation, and comprehensive research and analytics.

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 CEO is the accounting authority and provides strategic leadership, oversees and ensures the efficient and effective use of NCR's resources and ensures compliance with all of its legal requirements and reporting and financial accountability obligations. The NCR's company secretary assists the CEO to ensure sound corporate governance. The company secretary also provides governance knowledge and guidance, and ensures institutional integrity. Information on organisational structure, corporate governance and performance is found in the NCR Annual Report 2024/25.

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

• Human resources

Having people with the right skills is critical to the NCR's success. Funding cuts in recent years led to the freezing of key positions, the loss of skilled personnel to the industry, and challenges in attracting suitable talent. However, recruitment improved during the reporting period, with an increase in new appointments. To further strengthen capacity, the NCR continues to recruit interns, particularly in information and communication technology. In collaboration with BankSETA, the NCR successfully hosted 10 interns, boosting support in critical areas.

The NCR is a medium-sized institution, with more than 60% of staff in the youth category (ages 18–35). While this demographic profile brings energy and innovation, it also presents retention challenges, as younger employees often aspire to grow and make an impact in the broader industry. To mitigate this, the NCR has appointed internal candidates with institutional knowledge, skills, and competencies to senior positions and acting roles, ensuring continuity and stability.

The absence of permanently appointed Executive Committee members (CEO and DCEO) has posed risks to organisational stability. To maintain business continuity and service delivery, HR has relied on the Management Committee to assist in

executive roles. From 1 May 2024, the NCR's CFO was appointed Acting CEO, requiring the CFO role to also be filled in an acting capacity.

Operating in a knowledge economy and digitised workplace requires the NCR to invest in continuous staff development. Opportunities for training, as well as participation in conferences and industry events (including online platforms), are essential to strengthening institutional knowledge, enhancing staff competencies, and ensuring the organisation remains responsive to developments in the credit and regulatory environment.

To further build specialised capacity, the NCR requires attorneys with technical expertise in debt counselling to support court matters, as well as a dedicated specialist to oversee PDA activities. These targeted skills are critical to maintaining regulatory effectiveness and advancing consumer protection.

The HR department's strategic focus for the 2026/27 period includes:

- Capacitation through recruitment and selection.
- Creation of youth employment
- Managing skilled talent through training, development, and the Employee Assistance Programme.
- Improving conditions of service.
- Maintaining peaceful workforce relations with organised labour, non-unionised staff, and management.
- Reviewing and approving HR policies to strengthen governance.

The NCR is committed to maintaining a safe working environment for all employees. The Occupational Health and Safety Committee oversees compliance with the OHS Act and ensures training is conducted as required. An external OHS consultant supports legal compliance and workplace safety standards. The Facilities department reviewed and updated the OHS policy, which was approved by EXCO, reinforcing management's commitment to health and safety.

A tender process is underway to procure new accommodation for the organisation, ensuring a safe and healthy environment for employees. In the interim, compliance with the OHS Act continues, supported by external service providers and trained committee members.

During the 2025/26 financial year, the following OHS training was completed:

- SHE representatives: 14
- First aid: 13 (following one resignation)
- Legal liability: 8
- Hazard identification and risk assessment (HIRA): 10
- Emergency preparedness: 38
- Firefighting: 10
- Incident investigation: 10
- **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, the NCR was able to deliver on its mandate. The regulator needs to continue finding innovative ways to augment the budget and new ways of working smarter in order to be able to execute our legislative mandate. The outdated fee structure has constrained NCR's revenue base, limiting its ability to expand capacity and modernise ICT systems. Despite growing demand for regulatory services, the organisation's financial sustainability remains at risk until a revised, cost-reflective structure is implemented.

- **Digitisation of structure, systems, and processes**

To improve operational efficiency, the NCR has embarked on a broad programme of automation and digitisation of its internal processes. As part of a cooperation agreement with the IFC, the NCR is undertaking an automation project that includes the development of a roadmap for the design or acquisition of an Operational Management Information System (OMIS). This system will strengthen the organisation's ability to fulfil its regulatory mandate.

Key digitisation initiatives include:

- Automation of case referrals to the NCT and streamlining the compliance regime for registrants.
- VPN and firewall upgrades to enhance system security and support a permanent remote-working solution.
- Infrastructure and server upgrades to improve performance, response times, and replace outdated servers.
- Enhancements to operational systems to boost efficiency and responsiveness across NCR functions.

The NCR recognises the importance of continuously scanning the environment for technological developments and remains committed to updating and innovating its systems and processes. Ensuring that a robust ICT structure underpins these efforts is critical to sustaining operational resilience and regulatory effectiveness.

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 engaged.

The National Credit Regulator complies with the Public Finance Management Act (PFMA) and the 2016 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.

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

The organisation has structured 3 programmes to efficiently align with the MTDP priorities of the dtic. Through these programmes, the organisation will:

- (i) Promote economic growth and credit market knowledge through combatting over-indebtedness, awareness activities, and facilitation of job creation.
- (ii) Promote fair, responsible and accessible consumer credit market through enforcement of the NCA.
- (iii) Improve financial stability whilst ensuring long-term success by balancing economic growth, environmental responsibility, and social wellbeing.



PART C

MEASURING OUR
PERFORMANCE

Measuring Our Performance

1. Institutional programme performance information

1.1. Programme: Improved regulatory environment

1.1.1. Purpose of the programme: To promote economic inclusion, growth, transformation and tackling the high-cost of living.

1.1.2. Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium-term Targets			
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
A strengthened and responsive credit regulatory framework.	Submission of credit information for MSMEs by regulated data sources to credit bureaus.	Number of new credit active MSMEs submitted to the credit bureaus.	New indicator	New indicator	New indicator	Proposed regulations amendments report submitted to the dtic.	20 000 new credit active MSMEs submitted to the credit bureaus.	10 000 new credit active MSMEs submitted to the credit bureaus.	15 000 new credit active MSMEs submitted to the credit bureaus.	
Responsible credit market development and financial inclusion in South Africa.	Establishment and maintenance of the National Register of Credit Agreements (NRCA).	Implementation of the phased approach proposed in the feasibility study.	New indicator	New indicator	New indicator	New indicator	Implementation of activities as proposed in the approved feasibility study.	Technical rollout and piloting of the NRCA.	Launch Realtime operations and capacity building.	
Economic transformation and equitable inclusion of designated groups (women, youth and persons with disabilities) for a just society. Youth employment opportunities created.	B-BBEE Procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels	% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	New indicator	New indicator	New indicator	New indicator	80% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	80% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	80% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	
	Qualifying purchase orders issued MSMEs and designated groups.	% of the total number of qualifying purchase orders issued to MSMEs.	New indicator	25% of the total number of purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.
		% of the total number of qualifying purchase orders issued to Youth.	New indicator	New indicator	New indicator	New indicator	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	
		% of the total number of qualifying purchase orders issued to Women.	New indicator	New indicator	New indicator	New indicator	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	
		% of the total number of qualifying purchase orders issued to People with Disabilities.	New indicator	New indicator	New indicator	New indicator	0.5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0.5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0.5% % of the total number of qualifying purchase orders issued to People with Disabilities.	
		Targeted B-BBEE level achieved	Achieve targeted B-BBEE level.	New indicator	New indicator	New indicator	New indicator	Alignment with B-BBEE requirements for level 3.	Achieve B-BBEE level 3.	Maintain B-BBEE level 3.

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium-term Targets		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Total new hires that are youth.	% of administrative and entry level vacancies filled by youth.	New indicator	New indicator	Recruit 10 learners/ interns through BankSETA.	Recruit 10 learners/ interns through BankSETA.	20% of administrative and entry level vacancies filled by youth.	20% of administrative and entry level vacancies filled by youth.	20% of administrative and entry level vacancies filled by youth.
	Total new hires of people with disabilities.	% of new hires that are people with disabilities.	New indicator	New indicator	New indicator	New indicator	0.3% of new hires that are people with disabilities.	0.4% of new hires that are people with disabilities.	0.5% of new hires that are people with disabilities.

1.1.3 Output indicators: annual and quarterly targets

Output Indicator	Annual Target	Quarterly Milestones			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Number of new credit active MSMEs submitted to the credit bureaus.	20 000 new credit active MSMEs submitted to the credit bureaus.	N/A	N/A	N/A	20000 new credit active MSMEs submitted to the credit bureaus.
Implementation of the phased approach proposed in the feasibility study.	Implementation of activities as proposed in the approved feasibility study.	Stakeholder engagements.	Review of laws.	N/A	Produce completed business plan.
% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	80% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.	N/A	N/A	N/A	80% of total procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels.
% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.	75% of the total number of qualifying purchase orders issued to MSMEs.
% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.	14% of the total number of qualifying purchase orders issued to Youth.
% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.	22% of the total number of qualifying purchase orders issued to Women.
% of the total number of qualifying purchase orders issued to People with Disabilities.	0,5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0,5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0,5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0,5% % of the total number of qualifying purchase orders issued to People with Disabilities.	0,5% % of the total number of qualifying purchase orders issued to People with Disabilities.
Achieve targeted B-BBEE level.	Alignmentz with B-BBEE requirements for level 3.	N/A	N/A	N/A	Alignment with B-BBEE requirements for level 3.
% of administrative and entry level vacancies filled by youth.	20% of administrative and entry level vacancies filled by youth.	5% of administrative and entry level vacancies filled by youth.	5% of administrative and entry level vacancies filled by youth.	5% of administrative and entry level vacancies filled by youth.	5% of administrative and entry level vacancies filled by youth.
% of new hires that are people with disabilities.	0.3% of new hires that are people with disabilities.	N/A	N/A	N/A	0.3% of new hires that are people with disabilities.

*Based on the estimated annual performance targets for 2025/26 financial year.

1.1.4 Explanation of planned performance over the medium-term period

- To promote financial inclusion (access to credit) for MSMEs through the submission of credit information by regulated data sources to credit bureaus. The 2026/27 target will include the current submitted data as well as new submission.
- To promote economic participation and growth of MSMEs inclusive of women, youth and persons with disabilities.
- To support MSMEs through Economic transformation and equitable inclusion of designated groups (women, youth and persons with disabilities) for a just society.
- To create youth employment opportunities.

1.1.5. Programme resource considerations

Economic classification	Audited Actual Expenditure outcome			Estimate expenditure	Medium-Term Expenditure Estimate		
	2022/23	2023/24	2024/25		2025/26	2026/27	2027/28
Personnel Costs	R13.0m	R13.8m	R14.5m	R17.3m	R 33 357 000	R35 445 000	R37 217 000
Goods and services	R7.0m	R14.7m	R16.3m	R8.2m	R9 712 000	R10 197 000	R10 707 000
Total	R20.0m	R28.5m	R30.8m	R25.5m	R43 469 000	R45 642 000	R47 924 000

1.2. Programme: Enforcement of the National Credit Act

1.2.1 Purpose of the programme: To promote a fair, responsible and accessible consumer credit market through the enforcement of the NCA.

1.2.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2022/23	2023/24	2024/25		2025/26	2026/27	2027/28
Improved compliance through enforcement of the NCA.	Investigation of alleged contravention of the NCA completed.	Number of investigations of alleged contravention of the NCA completed.	New indicator	New indicator	New indicator	New indicator	70 investigations of alleged contravention of the NCA completed.	73 investigations of alleged contravention of the NCA completed.	76 investigations of alleged contravention of the NCA completed.
Financial redress for consumers through enforcement of the NCA.	Refunds and credit account balance adjustments secured.	Rand value of refunds and credit account balance adjustments secured.	New indicator	New indicator	New indicator	New indicator	R100m of refunds and credit account balance adjustments secured.	R120m of refunds and credit account balance adjustments secured.	R130m of refunds and credit account balance adjustments secured.
Improved compliance through enforcement of the NCA.	Administrative fines and penalties imposed.	Rand value of administrative fines and penalties imposed.	New indicator	New indicator	New indicator	New indicator	R1.2m of administrative fines and penalties imposed.	R1.3m of administrative fines and penalties imposed.	R1.4m of administrative fines and penalties imposed.

Based on the estimated annual performance targets for 2025/26 financial year.

1.2.3 Output Indicators, annual and quarterly targets

Output Indicator	Annual Target	Quarterly Milestones			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of investigations of alleged contravention of the NCA completed.	70 investigations of alleged contravention of the NCA completed.	18 investigations of alleged contravention of the NCA completed.	18 investigations of alleged contravention of the NCA completed.	18 investigations of alleged contravention of the NCA completed.	16 investigations of alleged contravention of the NCA completed.
Rand value of refunds and credit account balance adjustments secured.	R100m of refunds and credit account balance adjustments secured	N/A	N/A	N/A	R100m of refunds and credit account balance adjustments secured
Rand value of administrative fines and penalties imposed.	R1.2m of administrative fines and penalties imposed.	N/A	N/A	N/A	R1,2m of administrative fines and penalties imposed.

*Based on the estimated annual performance targets for 2025/26 financial year.

1.2.4 Explanation of planned performance over the medium-term period

- (a) Promotion of affordable levels of credit granting, decreased levels of reckless lending and unfair practices and accurate consumer credit information will contribute towards economic transformation.
- (b) Financial redress to consumers and admin fines imposed to non-compliant registrants.

1.2.5. Programme resource considerations

Economic classification	Audited Actual Expenditure outcome			Estimate expenditure	Medium-Term Expenditure Estimate		
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Personnel Costs	R38.5m	R39.8m	R38.5m	R46.1m	R29 805 000	R31 295 000	R32 860 000
Goods and services	R10.3m	R7.8m	R4.7m	R4.7m	R5 262 000	R5 525 000	R5 802 000
Total	R48.8m	R47.6m	R43.2m	R50.8m	R35 067 000	R36 821 000	R38 662 000

1.3. Programme: Sustainability and Environmental, Social and Governance

1.3.1 Purpose of the programme: To enhance financial stability and ensure long-term sustainability through strong governance practices.

1.3.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Audited Actual Performance			Estimate Performance	Medium Term Targets		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Reduced financial distress and over-indebtedness contributing to SDG 1 & 10.	Consumers with impaired records reduced.	% reduction in consumers with impaired records.	New indicator	New indicator	New indicator	New Indicator	35.09% reduction in consumers with impaired records.	35.05% reduction in consumers with impaired records.	34.09% reduction in consumers with impaired records.
Transparent and accountable Institution contributing to SDG 16.	Audit recommendations implemented within agreed timelines for improved governance.	% of external audit recommendations implemented within agreed timelines for improved governance.	New indicator	New indicator	New indicator	New Indicator	100% Audit recommendations implemented within agreed timelines for improved governance.	100% Audit recommendations implemented within agreed timelines for improved governance.	100% Audit recommendations implemented within agreed timelines for improved governance.
	Audit opinion achieved.	Favourable Audit opinion achieved.	New indicator	New indicator	New indicator	New Indicator	Unqualified audit opinion achieved with no material findings.	Unqualified audit opinion achieved with no material findings.	Unqualified audit opinion achieved with no material findings.

1.3.3 Output indicators, annual and quarterly targets

Output Indicator	Annual Target	Quarterly Milestones			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
% reduction in consumers with impaired records.	35.09% reduction in consumers with impaired records.	N/A	36.06% reduction in consumers with impaired records.	N/A	35.09% reduction in consumers with impaired records.
% of external audit recommendations implemented within agreed timelines for improved governance.	100% of external audit recommendations implemented within agreed timelines for improved governance.	N/A	30% of external audit recommendations implemented within agreed timelines for improved governance.	30% of external audit recommendations implemented within agreed timelines for improved governance.	40% of external audit recommendations implemented within agreed timelines for improved governance.
Favourable Audit opinion achieved.	Unqualified audit opinion achieved with no material findings.	N/A	Unqualified audit opinion achieved with no material findings.	N/A	N/A

1.3.4 Explanation of planned performance over the medium-term period

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

1.3.5 Programme resource considerations

Economic classification	Audited Actual Expenditure outcome			Estimate expenditure	Medium-Term Expenditure Estimate		
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Personnel costs	R27.4m	R31.1m	R34.5m	R34.3m	R42 836 000	R44 977 000	R47 226 000
Goods and services	R28.0m	R19.9m	R30.3m	R35.1m	R28 545 000	R293 287 000	R306 297 000
Assets	R6.2m	R5.8m	R5.1m	R11.2m	R4 420 000	R4 641 000	R4 873 000
Total	R61.6m	R56.8m	R69.9m	R80.6m	R75 800 000	243 198 000	R266 908 000

Measuring Our Performance (continued)

1. Key strategic risks and mitigation

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

Outcomes	Key risk	Risk mitigation (action plans)
A strengthened and responsive credit regulatory framework.	Failure to maintain a responsive and effective credit regulatory framework capable of addressing emerging risks and developments in the credit market.	<ol style="list-style-type: none"> Undertake research and impact studies to identify regulatory gaps and emerging risks in the credit market. Engage industry participants, consumer bodies, and policymakers in regulatory reform processes.
Economic transformation and equitable inclusion of designated groups (women, youth and persons with disabilities) for a just society.	Failure to achieve meaningful economic transformation and equitable inclusion of designated groups (women, youth, and persons with disabilities).	<ol style="list-style-type: none"> Prioritise MSMEs owned by designated groups and encourage submission of designated suppliers (Terms of reference). Establish annual targets for procurement spend on MSMEs, particularly those owned by women, youth, and persons with disabilities. Monitor and report progress against these targets.
Youth employment opportunities created.	Failure to create sustainable youth employment opportunities due to limited resources, inadequate skills development programmes, or insufficient organisational capacity.	<ol style="list-style-type: none"> Monitor the number of youths employed, trained, or absorbed into permanent roles. Establish internship, graduate trainee, and learnership programmes.
Improved compliance through enforcement of the NCA.	Ineffective enforcement leading to continued non-compliance with the National Credit Act by regulated entities.	<ol style="list-style-type: none"> Communicate enforcement outcomes publicly to deter misconduct.
Financial redress for consumers through enforcement of the NCA.	Failure to ensure effective financial redress for consumers affected by unlawful or unfair credit practices.	<ol style="list-style-type: none"> Monitor value of financial redress obtained for consumers. Monitor compliance by registrants with redress obligations. Educate consumers on their rights and how to seek financial redress under the National Credit Act. Provide accessible complaint mechanisms (online platforms, call centres, walk-in services).
Reduced financial distress and over-indebtedness contributing to SDG 1 & 10.	Failure to effectively reduce financial distress and over-indebtedness among consumers, leading to increased consumer vulnerability and instability in the credit market.	<ol style="list-style-type: none"> Raise awareness to consumers on debt review processes, credit reports, and financial planning. Conduct market conduct reviews to identify emerging risks. Address practices such as debt review without consumer consent. Monitor the performance and conduct of debt counsellors.
Transparent and accountable Institution contributing to SDG 16.	Failure to maintain transparency and accountability, resulting in diminished public confidence, poor governance, and ineffective oversight.	<ol style="list-style-type: none"> The control in place is sufficient, and no further action is required. Internal Audit Review of the AFS and Predetermined Objectives. <ol style="list-style-type: none"> Ensure procurement and contract awards follow clear, documented processes (probity audits). Conduct regular internal audits to assess compliance and operational effectiveness. Achieve favourable audit outcome.
Safe cyber space.	Failure to maintain a secure and resilient cyber environment, leading to data breaches, cyber-attacks, and operational disruptions.	<ol style="list-style-type: none"> Engage external experts to perform penetration testing and vulnerability assessments Quarterly DR test Quarterly awareness and reporting. The control in place are sufficient and no further action is required. Moving all applications and systems to clouds. Complete the business process reengineering project. Appointment of network Engineer, Server Administrator and Senior Application Developer.



PART D

**TECHNICAL INDICATOR
DESCRIPTIONS (TIDS)**

Technical Indicator

Descriptions

Items	Guide
Indicator title	Implementation of the phased approach proposed in the feasibility study.
Definition	Implementation of recommendations from the feasibility study report to enable an effective monitoring of patterns of the consumer credit market in South Africa.
Source of data	Engagements from other regulators (minutes).
Method of calculation or assessment	Qualitative
Means of verification	Progress on the implementation plan
Assumptions	Cooperation of contributing stakeholders
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and annually
Desired performance	Strengthened financial oversight, responsible lending, and access to credit
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	% of total procurement spend.
Definition	Measurement of the overall procurement commitments
Source of data	Procurement plan Purchase orders issued
Method of calculation or assessment	<p>Total awards</p> $\frac{\text{Total awards}}{\text{Total commitments}} \times 100$ <p>= % of total spend</p>
Means of verification	Spreadsheet (award letters) of purchase orders
Assumptions	
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Annually
Desired performance	Improved compliance with legislative requirements.
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	Achieve targeted B-BBEE level.
Definition	Alignment with B-BBEE requirements for level 3.
Source of data	Verification report
Method of calculation or assessment	Qualitative (B-BBEE certificate)
Means of verification	Approved implementation plan
Assumptions	Cooperation from contributing stakeholders.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Annually.
Desired performance	Improved compliance with B-BBEE Act
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	Number of new credit active MSMEs submitted to the credit bureaus.
Definition	A measuring tool on the submissions of MSMEs credit information by data sources to credit bureaus.
Source of data	Credit providers and data sources.
Method of calculation or assessment	Quantitative Simple count of MSMEs submitted to Credit Bureaus
Means of verification	Credit bureau submission reports.
Assumptions	Cooperation by credit bureaus to submit as required.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Annually.
Desired performance	Credit information sharing of MSMEs to the credit bureaus.
Indicator responsibility	Manager: Credit Bureau Compliance

Items	Guide
Indicator title	% of the total number of qualifying purchase orders issued to MSMEs.
Definition	Measure of the percentage of qualifying purchase orders issued to MSMEs.
Source of data	Supplier proposal documents, CSD report, internally created documents and sworn affidavits/ BBEEE certificates.
Method of calculation or assessment	Quantitative. $\frac{\text{Total number of purchase orders issued to MSMEs}}{\text{Total number of purchase orders issued}} \times 100$ = Total percentage (%) of purchase orders issued to MSMEs.
Means of verification	GP reports on purchase orders.
Assumptions	There will be submissions from suppliers.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly, bi-annual or annual.
Desired performance	Inclusive participation by MSMEs and economic growth.
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	% of the total number of qualifying purchase orders issued to youth.
Definition	Measure of the percentage of qualifying purchase orders issued to youth.
Source of data	Supplier proposal documents, CSD report, internally created documents and sworn affidavits/ BBEEE certificates.
Method of calculation or assessment	Quantitative. $\frac{\text{Total number of purchase orders issued to youth}}{\text{Total number of purchase orders issued}} \times 100$ = Total percentage (%) of purchase orders issued to youth.
Means of verification	GP reports on purchase orders.
Assumptions	There will be submissions from suppliers.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly, bi-annual or annual.
Desired performance	Inclusive participation by youth and economic growth.
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	% of the total number of qualifying purchase orders issued to women.
Definition	Measure of the percentage of qualifying purchase orders issued to women.
Source of data	Supplier proposal documents, CSD report, internally created documents and sworn affidavits/ BBEEE certificates.
Method of calculation or assessment	Quantitative. Total number of purchase orders issued to women _____ X 100 Total number of purchase orders issued = Total percentage (%) of purchase orders issued to women.
Means of verification	GP reports on purchase orders.
Assumptions	There will be submissions from suppliers.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly, bi-annual or annual.
Desired performance	Inclusive participation by women and economic growth.
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	% of the total number of qualifying purchase orders issued to people with disabilities.
Definition	Measure of the percentage of qualifying purchase orders issued to people with disabilities.
Source of data	Supplier proposal documents, CSD report, internally created documents and sworn affidavits/ BBEEE certificates.
Method of calculation or assessment	Quantitative. Total number of purchase orders issued to people with disabilities _____ X 100 Total number of purchase orders issued = Total percentage (%) of purchase orders issued to people with disabilities.
Means of verification	GP reports on purchase orders.
Assumptions	There will be submissions from suppliers.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly, bi-annual or annual.
Desired performance	Inclusive participation by people with disabilities and economic growth.
Indicator responsibility	Manager: Supply Chain Management

Items	Guide
Indicator title	% of administrative and entry level vacancies filled by youth.
Definition	Recruitment of new hires that are youth to facilitate opportunities for job creation.
Source of data	Application documents and proof of qualifications.
Method of calculation or assessment	Quantitative $\frac{\text{Total number of administrative and entry level vacancies filled by youth}}{\text{Total number of administrative and entry level vacancies}} \times 100$ = Total percentage (%) of administrative and entry level vacancies filled by youth.
Means of verification	Appointment letters.
Assumptions	Cooperation from all stakeholders involved in this process.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually.
Desired performance	Concrete employment opportunities for youth.
Indicator responsibility	Manager: Human Resources

Items	Guide
Indicator title	% of new hires that are people with disabilities.
Definition	Recruitment of new hires of people with disabilities to facilitate opportunities for job creation.
Source of data	Application documents and proof of qualifications.
Method of calculation or assessment	Quantitative $\frac{\text{Total number of new hires that are people with disabilities}}{\text{Total number of new hires}} \times 100$ = Total percentage (%) of new hires that are people with disabilities.
Means of verification	Appointment letters and confirmation of disability.
Assumptions	Cooperation from all stakeholders involved in this process.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Annually.
Desired performance	Concrete employment opportunities for people with disabilities.
Indicator responsibility	Manager: Human Resources

Items	Guide
Indicator title	Number of investigations of alleged contravention of the NCA completed.
Definition	A measuring tool relating to investigations conducted on alleged contravention of the NCA by registrants and non-registrants.
Source of data	<ul style="list-style-type: none"> Complaint/anonymous tip-off, Investigation memo and Section 25 Investigation certificate Complaint form and responses to complaints. Media, complaints, statistics Form 39 & 40, consumer workshops, minister's priorities. Information from stakeholders Scouting memo
Method of calculation or assessment	Method of calculation or assessment Quantitative. Simple count of total number of investigations conducted.
Means of verification	Investigation reports. Raid reports.
Assumptions	Cooperation from consumers and registrants; and consumer interest to lodge complaints.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually.
Desired performance	Improved compliance with the NCA and its regulations by registrants and non-registrants.
Indicator responsibility	Manager: Investigations and Enforcement

Items	Guide
Indicator title	Rand value of refunds and credit account balance adjustments secured.
Definition	A measuring tool for financial redress for consumers.
Source of data	Compliance notice, Instructional letter and NCT judgement.
Method of calculation or assessment	Quantitative. Simple count of rand value and credit account balance adjustments.
Means of verification	Audit reports and proof of payment.
Assumptions	Cooperation from registrants and non-registrants.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Annually.
Desired performance	Obtain redress for consumers and ensure compliance with the NCA.
Indicator responsibility	Manager: Investigations and Enforcement

Items	Guide
Indicator title	Rand value of administrative fines and penalties imposed.
Definition	Imposing administrative fines and penalties to deter non-compliance of the NCA within the consumer credit industry, resulting in compliance with the NCA and safeguarding consumer's rights.
Source of data	<ul style="list-style-type: none"> Administrative fines: NCT judgment Penalties: NCT judgment and compliance notices
Method of calculation or assessment	Quantitative Simple count of administrative fines paid
Means of verification	NCT judgement and proof of payment.
Assumptions	Imposition of administrative fines and penalties has a deterrent effect on registrants and non-registrants. The registrant or non-registrant has the capacity to pay the fines. The administrative fines are being paid in compliance with the NCT judgement.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Annually.
Desired performance	To deter non-compliance of the NCA within the consumer credit industry, resulting in compliance with the NCA and safeguarding consumer rights.
Indicator responsibility	Manager: Investigations and Enforcement

Items	Guide
Indicator title	% reduction in consumers with impaired records.
Definition	A measuring tool to monitor the reduction in consumers with impaired records (a record on which a consumer and/or any of the accounts, are either classified as three or more payments or months in arrears or which has an 'adverse listing' or that reflects a judgement or administration order.
Source of data	Credit bureaus (Form 44).
Method of calculation or assessment	Quantitative Total number of impaired records _____ X100 Total number of credit consumers = % reduction in consumers with impaired records
Means of verification	Credit Bureau impaired record data.
Assumptions	Cooperation by credit bureaus to submit the form 44s.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually.
Desired performance	Less impaired consumers.
Indicator responsibility	Manager: Statistics and Research

Items	Guide
Indicator title	% of external audit recommendations implemented within agreed timelines for improved governance.
Definition	A measuring tool to clear findings raised by external auditors and improve internal controls /deficiencies identified by the external auditors.
Source of data	Evidence from internal departments.
Method of calculation or assessment	Quantitative Simple count of audit findings cleared
Means of verification	Spreadsheet used to monitor implementation of audit finding recommendations.
Assumptions	Cooperation by relevant stakeholders.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and annually.
Desired performance	Improved governance.
Indicator responsibility	Manager: Finance

Items	Guide
Indicator title	Favourable Audit opinion achieved.
Definition	Unqualified audit opinion issued by external auditors.
Source of data	Signed financial reconciliations, variance reports signed by departmental managers, a report from internal auditors on the review of annual financial statements
Method of calculation or assessment	Qualitative
Means of verification	AGSA Management Report
Assumptions	Cooperation from all stakeholders involved.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Contribution to spatial transformation priorities: N/A • Spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Annually.
Desired performance	Improved governance
Indicator responsibility	Manager: Finance

Annexure A

Risk management and Fraud Prevention Plan

Fraud Prevention Plan:

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

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

The main objectives of the Fraud Prevention Plan include:

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

The main principles of the Fraud Prevention Plan are:

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

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

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

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

These controls are categorised as:

Preventative controls:

- Authorisation

All transactions require authorisation or approval by an appropriate responsible person.

The limits of these authorisations are specified in the NCR's delegations of authority.

- Custody of assets

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

Detection controls

- Arithmetic and accounting

Procedures to ensure processed and recorded transactions have been authorised and are accurate and complete.

Controls include checking the arithmetical accuracy of records, the maintenance and checking of totals, reconciliations, control accounts and accounting for documents.

- Physical

Relates to the security of records, underpinning arithmetic, and accounting controls.

Similar to preventative controls, these controls also limit access.

- Supervision

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

- Management information

Relates to the review of management accounts and budgetary control.

Exercised by management independent of the processing system.

Detection of fraud and corruption may occur through:

- Internal audit.

- Ongoing risk assessment and management.

- Fraud detection activities.

- Procedure for reporting of alleged fraud and corruption.

- Procedure to be followed by an employee if he/she suspects fraud.

- Procedure to be followed by a member of the public, customers, service providers or other stakeholders if they suspect fraud.

Implementation and maintenance of the Fraud Prevention Plan includes:

- Creating awareness.
- Communication.
- Ongoing maintenance and review.

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

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

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

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

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

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

Annexure B

Materiality and Significance Framework

1. Background

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

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

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

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

2. Methodology

Materiality and significance should be considered for:

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

The consideration should include:

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

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

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

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

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

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

3. Non-financial matters (qualitative)

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

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

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

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

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

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

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

4. Financial matters (quantitative)

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

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

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

In using the parameters, the following results have emerged:

	Total assets		Total expenses	
Rand value per annual financial statements 2024/25		R154 985 981.00		R145 311 610.00
Parameter (top %)	2%	R2 906 232.00	1%	R1 453 116.00
Parameter (bottom %)	1%	R 1 549 860.00	0.5%	R726 558.00
Materiality rand value per element		R1 549 860.00		R1 453 116.00

In the interest of prudence, the rand value for materiality for financial matters is set at R1 453 116.00.

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

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

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

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

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

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

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

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

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



National Credit Regulator

Advocating For Inclusive Credit

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NCR Reception:

011 554 2700

NCR Call Centre:

0860 627 627/0860 NCR

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

www.ncr.org.za