



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 1637

**Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:**

- (1) Whether, with regard to the Payment Distribution Agents of South Africa (PDASA), since the implementation of the PDA fees structure in 2015, there has been any (a) reviews and/or studies done and (b) considerations on reviewing the PDA fees which are closely linked to sustainability; if not, what is the position in each case; if so, what (i) are the relevant details on the outcome of the study, (ii) actions have been taken to ensure they remain sustainable and (iii) are the reasons that the PDA fees have not been increased since 2015;
- (2) (a) what contingency plans are in place for consumers in current debt review when the PDASA discontinue their services and (b) how will the gap be funded, in light of the fact that based on the National Credit Regulator (NCR) Annual Budget Report, 3 PDA Registrants out of 8 525 registrants almost generate 9,71% of the NCR annual budget? NW1849E

#### REPLY:

- (1) (a) A review of the fees was undertaken and finalised in September 2018.  
  
(b) **the dtic** will make amendments to the National Credit Act, 2005 (Act No. 34 of 2005), as amended; and associated Regulations, to align and update as may be necessary. The envisaged amendments will incorporate the sustainability of the Payment Distribution Agents (PDA) by way of including for a model for fee adjustments and periodic review following a study of prevailing market conditions relating to the PDAs -

- (i) The recommendation of the study includes, but is not limited to, the following -
    - (aa) to increase the PDA fees for sustainability and easier fee structure for ease of predicting future income by PDAs.
    - (bb) introduction of mechanisms to prevent debit order reversals by consumers.
    - (cc) promotion of market growth by NCR.
    - (dd) legislation to ensure Credit Providers embrace the PDAs.
  - (ii) The implementation of the study will assist with the sustainability of the PDAs.
- (2) (a) PDAs play a vital role in the distribution of funds for consumers that are under debt review. In the unlikely event where all the PDAs were to close, the consumer will be forced to make direct payments to the respective credit providers.
- (b) The National Credit Regulator (NCR) has commissioned a study into the current funding model of the institution as well as a study on the amendment of prescribed fees of the NCR. A comparative study of similar regulators locally and internationally is part of the scope for the study underway. Part of the objective is to widen and diversify NCR sources of revenue while reducing state dependency. It is expected that once implemented, the amended funding model and prescribed NCR fees will not be impacted by the PDAs withdrawal.

**-END-**