



INVITATION TO SUBMIT COMMENTS ON THE REVIEW OF LIMITATIONS ON FEES AND INTEREST RATES REGULATIONS

CIRCULAR 05 OF 2021

1. The National Credit Regulator (“NCR”) is conducting a review on fees and interest rates Regulations in accordance with Regulation 45 of the National Credit Act (“NCA”). Regulation 45 mandates the NCR to perform a review and advise the Minister of any changes that may be required.
2. The purpose of the review is to assess the provisions of Regulation 42(1); Regulation 42(2) and Regulation (44) and to make recommendations to the Department of Trade, Industry and Competition (“DTIC”).
3. To this end, the NCR hereby invites stakeholders to submit comments and inputs on the areas of the regulations that stakeholders believe require to be reconsidered, including but not limited to:
 - 3.1. Recommendations on any adjustments to the maximum prescribed fees (Initiation and Monthly Service fees), and reasons for the proposed adjustments, if any;
 - 3.2. Views on whether the promulgation of regulation 42(1), 42(2) and 44 impacted on access to credit specifically for people referred to in section 13 (a) of the Act (historically disadvantaged persons; low income persons and communities; and remote, isolated or low density populations and communities), including whether:
 - 3.2.1. the introduction of initiation fees and monthly service fees resulted in less demand for credit by this group of consumers;
 - 3.2.2. the perception that some low income consumers (<R7500) prefer informal market to formal market due to high cost associated with small loans in the formal market is correct, and whether there is a need for special regulation for these low income consumers?
 - 3.3. Are calculations pertaining to initiation fee, monthly service fee and interest rates easy to understand by both credit providers and consumers; if not, what do you propose should be done to simplify the process;

Disclaimer:

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- 3.4. Any other matter that stakeholders want to bring to the attention of the NCR regarding the fees and interest rates regulations.
3. The comments must be submitted to **Mr Bongani Gwexe** at email address bgwexe@ncr.org.za, by close of business on **Friday, 01 October 2021**.

National Credit Regulator

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