



REQUEST FOR PUBLIC COMMENTS ON THE RECOMMENDED FEE STRUCTURE FOR FEES PAYABLE TO THE SOUTH AFRICAN CREDIT RISK REPORTING ASSOCIATION (SACRRA)

CIRCULAR 2 OF 2023 - REQUEST FOR COMMENTS ON THE RECOMMENDED FEE STRUCTURE FOR FEES PAYABLE TO SACRRA

The purpose of this draft fee guideline is to solicit comments from stakeholders prior to publishing the final fee structures as proposed.

The National Credit Act, 34 of 2005 (“NCA”) establishes the National Credit Regulator (“NCR”) which is tasked with, amongst others, promoting an efficient, effective, and accessible credit market in the Republic. The NCA introduced Regulation 19(13) and the purpose of this regulation is, amongst others, to ensure that every registered credit provider submits credit bureau information in a uniform manner using the infrastructure that exists within the industry.

Regulation 19(13) states that: “A credit provider must submit credit information to the credit bureaus in the manner and form prescribed by the National Credit Regulator through conditions of registration and any guidelines that may be issued by the National Credit Regulator from time to time.”

A Memorandum of Agreement between the NCR, Credit Bureau Association and the SACRRA was entered into for the purpose of supporting the NCR in its implementation of Regulation 19(13), in terms of which consumer credit information is submitted by credit and data providers to the credit bureaus via the Data Transmission Hub (DTH) using SACRRA’s data format.

The Fee Guideline was published on 8 June 2018 (“2018 Fee Guideline”), prescribing the fees payable to SACRRA for the on-boarding of credit and data providers and the maintenance and use of the DTH.

An updated fee guideline has been drafted which seeks to update the 2018 Fee Guideline. The NCR therefore requests comments from stakeholders on the updated draft fee guideline. Please refer to Annexure A attached hereto.

All stakeholders are encouraged to make comments on the proposed fee guideline via email to Feeguide@ncr.org.za by close of business on 9 June 2023.

ANNEXURE A

DRAFT FEE GUIDELINE AND SCHEDULES PURSUANT TO THE GUIDELINE IN TERMS OF REGULATION 19(13) OF THE NATIONAL CREDIT ACT, 34 OF 2005, AS AMENDED (the Act)

This Fee Guideline is issued pursuant to the Guideline issued by the National Credit Regulator (NCR) in terms of Regulation 19(13) on 3rd November 2017 (“the 19(13) Guideline”) and the first Fee Guideline issued by the NCR on 8 June 2018 (“the 19(13) 003/2018 Fee Guideline”) and is applicable to all credit providers, all credit bureaus and data providers as defined in the 19(13) Guideline.

PURPOSE OF THIS GUIDELINE

This Fee Guideline prescribes the fees payable to the South African Credit Risk Reporting Association (SACRRA) for:

- (i) the assessment, onboarding, and ongoing overall use of the Data Transmission Hub by the credit and data providers and the services provided by the SACRRA; and
- (ii) the monitoring and reporting as reflected in section 4.8 of this Guideline.

1. Definitions pursuant to this Fee Guideline

[Unless otherwise herein defined, definitions of terms are as set out in the 19(13) Guideline or the Act.]

- 1.1. “NCR” means the National Credit Regulator as established in Chapter 2 of the Act
- 1.2. “Data Contributors” means credit providers and data providers collectively.

2. Compliance with Regulation 19(13)

- 2.1. The NCR has contracted the services of the SACRRA to support credit providers and data providers to comply with Regulation 19(13).
- 2.2. The process to comply with Regulation 19(13) by credit providers and data providers have the following steps to be executed within the specified timelines:
 - (i) **Assessment Process** – the SACRRA performs an assessment to determine the credit providers’ and data providers’ product offering and the relevant data fields required for their data submission to the credit bureaus via the Data Transmission Hub. This phase must not take longer than two (2) months to complete.
 - (ii) **Onboarding Process** – credit providers and data providers to develop and test their data extract in line with the prescribed Data Format and any other directive issued by the NCR.
 - (iii) **Go-Live – sign-off** and commencement of live submission of data to update consumers’ credit and/or risk profiles on credit bureaus database. The Onboarding and Go-Live phases collectively must not take longer than six (6) months from initiation of SACRRA engagement by the data contributor.
- 2.3. All registered credit providers in NCR Categories 1-9 and all data providers who have not yet completed the initial assessment process will have to undergo the assessment process and pay the corresponding assessment fees by no later than sixty (60) calendar days after this Fee Guideline is published.
- 2.4. All credit providers in NCR Categories 1-9 and all data providers who have completed the initial assessment process must pay the corresponding published annual and/or pro-rata fees, and commence the onboarding process with the SACRRA by no later than sixty (60) calendar days after this Fee Guideline is published.

Disclaimer:

While the NCR has taken reasonable care to ensure the factual accuracy of this Circular, it cannot guarantee such accuracy, especially with regards to future events. Accordingly, NCR does not accept any liability for damages incurred by any party as a result of decisions or actions taken on the basis of information supplied in this Circular.

3. Annual Fees

- 3.1. The annual fees outlined in this Fee Guideline are for payment of maintenance and usage of the data sharing infrastructure.
- 3.2. Annual fees are mandatory for, and apply to, all credit providers and data providers reflected in 2.4 above and who are being onboarded and those that are currently providing and submitting credit information to credit bureaus via the Data Transmission Hub, and for all authorised credit bureaus who receive credit information via the Data Transmission Hub.
- 3.3. A pro rata annual fee will apply to a data contributor when commissioning the onboarding process after January of each year.
- 3.4. All annual or pro-rata annual fees are payable within thirty (30) calendar days of the date of invoice.

4. Restrictions and Penalties

- 4.1. Any data provider who fails to pay the assessment, annual or pro-rata annual fees within sixty (60) calendar days of such fee being due and payable, will be reported by the SACRRA to the NCR, and will be subject to suspension of their access to credit information until such time as they have paid the annual or pro rata annual fees. Suspension of access to credit information will not entitle the data provider to a claim for any loss or damage suffered.
- 4.2. Any **credit provider** who fails to pay the assessment, annual or pro-rata annual fees within sixty (60) calendar days of such fee being due and payable, will be reported by the SACRRA to the NCR, and will be subject to suspension of their access to credit information until such time as they have paid the annual or pro rata annual fees. Suspension of access to credit information will not entitle the credit provider to a claim for any loss or damage suffered, nor will it serve as a defence by a credit provider who fails to comply with the affordability assessment provisions of the Act and its regulations, as a result of the suspension of access to credit information.
- 4.3. Any **credit bureau** who fails to pay the annual fees within thirty (30) calendar days of such fee being due and payable will be reported to the NCR and subjected to an enforcement action.
- 4.4. If the fees set out in this Fee Guideline remain unpaid for a period of ninety (90) calendar days or more, such credit provider's or data provider's or credit bureau's access to the Data Transmission Hub will be suspended and access, where relevant, to credit information will remain suspended until such time as they have paid the annual or pro rata annual fees.
- 4.5. In addition to the requirement to pay the assessment, annual or pro rata annual fees, all credit providers' and data providers' access to credit information will further be restricted until such time as they have completed the onboarding process.
- 4.6. Access to credit information will be provided to a credit provider or data provider, provided that the credit provider or data provider:
 - (a) has paid the respective fees as set out in this Fee Guideline; and
 - (b) has uploaded payment profile information to the credit bureaus in respect of its own customers; and/or
 - (c) has submitted the information in 4.6 (b) via the Data Transmission Hub and in the prescribed format within the required reporting cycles.
- 4.7. The NCR is entitled to take enforcement action against credit providers who fail to comply with this Guideline.

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- 4.8. The SACRRA will provide a list to the credit bureaus and NCR monthly to enable them to monitor the access to credit bureau records by providing:
- (a) A list detailing all data contributors who have committed to a timeline and commenced the onboarding process; and
 - (b) A list of all data contributors who have commenced live submission of credit information to the credit bureaus in any given month.
- 4.9. The SACRRA will provide the NCR with a list, from time to time, of all data contributors and credit bureaus who:
- (a) fail to pay the assessment, annual or pro rata annual fees, where applicable, and who are in arrears for a period of sixty (60) calendar days or more of such fees being due; or
 - (b) otherwise fail to comply with 4.6 above.
- 4.10. NCR will provide the credit bureaus and the SACRRA with a list, from time to time, of all entities whose access to credit information and access to the Data Transmission Hub is to be or has been revoked. Upon receipt of these lists the credit bureaus and the SACRRA will act accordingly.
- 4.11. Notwithstanding 4.10, the credit bureaus are required to automatically remove access to credit information for any data contributor that appears on the list for 3 consecutive months, and the credit bureaus shall not permit access to that data contributor until it no longer appears on the list, unless instructed otherwise by the NCR in writing.
- 4.12. The SACRRA and the credit bureaus will monitor the quality of the credit information reported by all data contributors and the SACRRA (in addition to the Credit Bureau Association, on behalf of the credit bureaus) will report any data quality problems to the NCR at agreed intervals for appropriate regulatory action to be taken by the NCR to address those issues.

5. Fees Schedule

Any data contributor or credit bureau who provides or receives credit information via the Data Transmission Hub and who is not a member of SACRRA will pay an annual fee equivalent to the SACRRA membership fees applicable for that year, as determined by SACRRA, to obtain access to the data sharing infrastructure and in respect of the required monitoring and non-payment and onboarding reporting to the NCR in terms of the 19(13) Guideline.

The SACRRA membership fees published in Schedule 1 are only applicable to the year in question and these membership fees are reviewed and determined by the SACRRA in its sole discretion.

6. Fees Schedule Review

- 6.1. The Fees Schedule shall be reviewed annually by the NCR and published by December latest to be effective from January of the following year, which fees shall be equal to the annual membership fees payable by SACRRA members, as determined by the SACRRA.
- 6.2. If the NCR for any reason fails to publish the fees for the following year, SACRRA shall nonetheless be entitled to invoice credit providers, data providers and credit bureaus on the same basis as it invoices its members for the annual membership fees.

7. Effective date

This Guideline is effective immediately in accordance with the timeframe set out herein.

SCHEDULE 1: FEES FOR JANUARY TO DECEMBER 2023

Assessment Fees: R750 excluding VAT.

The Annual Fees below are applicable to all data contributors and authorised credit bureaus:

Categorisation	Annual Turnover	Annual Fee (excluding VAT)
		R
Authorised credit bureau	Not applicable	422 104
Data Contributor - Group A	Greater than R1 billion (bn)	169 848
Data Contributor - Group B	Between R500m to R1bn	109 360
Data Contributor - Group C	between R50m and R500m	84 292
Data Contributor - Group D	between R10m and R50m	44 824
Data Contributor - Group E	between R3m and R10m	19 623
Data Contributor - Group F	less than R3m	6 489

The Annual Fees below are applicable for smaller data contributors (with turnover less than R3m and an annual record count less than 50,000 per entity) using secondary service providers or loan management system vendors qualified to be affiliated to the SACRRA to submit data on behalf of credit providers and data providers:

Categorisation	Record count	Annual Fee (Excluding VAT)
		R
Data contributor – Group 1	1 to 10K	815
Data contributor – Group 2	10,001 to 25K	1 142
Data contributor – Group 3	25 001 to 50K	1 632

Disclaimer for Schedule 1

Where an organisation has one or more subsidiaries which are separately CIPC registered legal entities, each such separately CIPC registered legal entity will be required to pay the fees individually as per the categorisation listed in the above table. This includes organisations that have their businesses structured in such a manner that the data submissions from their branches, divisions or brands are extracted and submitted by separate Data or IT departments or third-party service providers. Under no circumstance would the consolidation of fees be allowed for multiple entities under a holding company or companies. Only organisations who have divisions or brands within the organisation will be allowed one Group categorisation fee and share their various divisions or brand's files under separate Supplier Reference Numbers (SRNs).

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