



CALL FOR COMMENTS: REVIEW OF FORM 43 ANNUAL COMPLIANCE REPORT GUIDELINES

CIRCULAR 2 OF 2024

1. INTRODUCTION

The National Credit Regulator (“NCR”) regulates the operations of credit bureaus to ensure compliance with the provisions of the National Credit Act No. 34 of 2005 (“Act”) and its Regulations (collectively “the Act”). The Credit Bureau Compliance Department is responsible for ensuring that all credit bureaus adhere to credit reporting standards as prescribed by the Act to ensure the quality and accuracy of consumer credit information.

Section 52(6) read with Regulation 70 of the Act requires registered credit bureaus to submit the Form 43 annual compliance report, certified by an independent auditor to the NCR. In November 2009 the NCR issued a guideline to be applied when completing Form 43. Subsequent amendments to the guideline have since been issued.

Auditors currently perform agreed-upon procedures engagements based on the procedures set out in the Guideline. However, the NCR has raised concerns about auditors not providing assurance, and that this is not in line with the Act’s requirements.

2. PURPOSE

In 2022, the NCR embarked on a project in partnership with the Independent Regulatory Board of Auditors (IRBA) to assist with finding and developing an assurance solution that will meet the assurance needs of the NCR and comply with the Act. The current Guidelines were not developed and issued through the IRBA’s standard-setting process, and this project aims, in part, to encourage the amendment of the Guidelines by the NCR, to enable auditors to meet their assurance expectations/needs.

A Task Group (TG) was formed in March 2023. Preliminary indications from TG and/or sub-groups discussions are that an assurance solution is possible.

In November 2023, a workshop was hosted with a focus group of select Credit Bureaus, Auditors, and the TG with the purpose of enhancing the TG's understanding of the legislation, and through this enable necessary and fit-for-purpose revisions to the Guideline. Furthermore, the workshop provided the TG much needed insight on the experience of the Auditors and Credit bureaus on completing the Form 43, together with clarity seeking recommendations directed to the NCR.

A write up summary of the workshop, including recommended actions for NCR, is attached to this communicate for your attention.

FOR MORE INFORMATION OR TO PROVIDE WRITTEN COMMENT

Kindly send comments, recommendations and/or requests for further information to form43guidelines@ncr.org.za by close of business on **30 April 2024**.

Disclaimer:

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