



Updates from the credit industry forum

Circular 04 of 2024

The objective of this Circular is to provide the industry with the latest update regarding the projects undertaken by the Credit Industry Forum ("CIF"). In September 2024, the CIF held its 37th CIF meeting.

Herewith an update on the outcome or current progress of sub-committees that were established to address identified operational difficulties that come with the implementation of the National Credit Act as amended ("the Act").

MATTERS RESOLVED:

SUB-COMMITTEE	TERMS OF REFERENCE AND UPDATE
RECKLESS LENDING GUIDELINES	The sub-committee was established to clarify and review the process followed by debt counsellors when lodging complaints with the NCR against credit providers for not providing information and / or documents needed for reckless lending investigations. The sub-committee completed its mandate and documentation was drafted to provide non-binding recommendations to the industry to assist debt counsellors and credit providers with practical guidelines when investigating reckless lending. Such guidelines were duly submitted to the NCR for approval and publication as a guideline.
ON-SOLD DEBTORS BOOK	The subcommittee was established to investigate the current operational challenges when one credit provider sells a debtor's book to another credit provider, which includes debt review matters. The subcommittee was tasked to develop a consensual operational procedure for the industry when a debt book is sold from one entity to another especially where such book includes active debt review matters. Representatives of the subcommittee indicated to the CIF that due to industry interaction and collaboration, as well as the passage of time, such industry challenge has been resolved, and that no further action is required in this regard.

MATTERS PENDING

SUB-COMMITTEE	TERMS OF REFERENCE AND UPDATE
NATIONAL CREDIT AMENDMENT ACT	The sub-committee was established to address operational difficulties that came with the interpretation of Sections 71, 86(10), 126B and 58. The publication of the NCAA 2019 has caused concern surrounding Section 126B and has been referred back to the subcommittee for re-evaluation. The NCR is to consider developing a process to be followed by registrants wishing to exit the industry in terms of Section 58 and 58A and will be debated at future meetings. The subcommittee is pending until the work of other subcommittees is completed.
DCRS (DEBT RESTRUCTURING RULES SYSTEM)	A technical workgroup was established to deal with the technical aspects of DCRS implementation. The subcommittee indicated that the work on DCRS improvements is ongoing, and that the following is being finalised: i) Proposal API development. ii) DCRS proposal cascading. The work of the subcommittee and work group is ongoing.
ANNUAL REVIEW	This subcommittee was established to provide guidelines to the industry on annual reviews to be completed by debt counsellors to ensure that proposals are up to date, and any change of circumstances of consumers, for better or worse have been taken into consideration for the next payment year, and to deal with consumer questions and queries. The subcommittee is pending until the work of other subcommittees is completed.
ALTERNATIVE DISPUTE RESOLUTION AGENTS (ADRA'S)	This subcommittee was established to provide guidelines to the industry as to the workings of ADRA's and the difference between the services provided by debt counsellors and alternative dispute resolution agents, and matters connected therewith. The updated terms of reference were submitted to the NCR for approval. The work is ongoing.

SUB-COMMITTEE	TERMS OF REFERENCE AND UPDATE
DEBT COUNSELLING FEE GUIDELINES REVIEW	The sub-committee was established to review the NCR Debt Counselling Fee guidelines issued during 2018 and matters connected therewith. The revised terms of reference were submitted to the NCR for approval, whereafter the work of the committee will commence.

NEW MATTERS:

SUB-COMMITTEE	TERMS OF REFERENCE AND UPDATE
TASK TEAM AGREEMENTS REVIEW AND ENFORCEMENT	It was tabled at the CIF that the Task Team Agreements ("the TTA") have become outdated due to the passage of time, as well as recent case Law and amendments to the National Credit Act since 2014. It was agreed that a subcommittee be established to update the TTA to reflect the current operational process of debt counselling in the industry. In addition, the previous constituted TTA enforcement subcommittee will be incorporated within the terms of reference of this TTA review subcommittee. It was resolved that a subcommittee be formed to deal with this issue to be chaired by the NCR who will also supply the Secretariat. The Terms of Reference have been drafted and are with the NCR for review.

NEW MEMBERS:

No new members were admitted to the CIF.

GENERAL:

1. Just a kind reminder of the purpose of the CIF being as follows: Identify and address operational difficulties that come with implementation of the National Credit Act as amended ("the Act").
2. Facilitate and negotiate industry agreement and co-operation on related credit industry aspects.
3. Make advisory recommendations to the NCR which, upon acceptance, will be issued as guidelines to the industry.
4. Engage on strategic industry issues; and
5. Promote the spirit and purpose of the Act when conducting the delegated mandate.

All registrants are kindly invited to submit any proposals or topics for discussion to cif@ncr.org.za and are requested to propose any agenda items to be considered by the CIF and insofar as it relates to operational difficulties that come with the implementation of the National Credit Act 34 of 2005.

FURTHER INFORMATION

Please contact **Timmy Van Der Grijp** on **011 554 2817** should you have any queries. Written enquiries may be directed to **cif@ncr.org.za**

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