



GAUTENG

LEGISLATURE

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FINAL VOTING MANDATE

TO: The Chairperson of the National Council of Provinces.

Hon T Modise

NAME OF BILL: National Credit Amendment Bill

NUMBER OF BILL: [B30-2018]

DATE OF DELIBERATION: 15 February 2019

VOTE OF THE LEGISLATURE:

The Gauteng Provincial Legislature supports the principle and detail of the bill and therefore votes in favour of-

- National Credit Amendment Bill

HON NTOMBI MEKGWE

SPEAKER

GAUTENG PROVINCIAL LEGISLATURE

Date: 18/02/2019



**ECONOMIC DEVELOPMENT, ENVIRONMENT, AGRICULTURE AND RURAL DEVELOPMENT
PORTFOLIO COMMITTEE**

**FINAL VOTING MANDATE
ON THE:
NATIONAL CREDIT AMENDMENT BILL [B30—2018]**

14th February 2019

1. INTRODUCTION

The Chairperson of the Economic Development, Environment, Agriculture and Rural Development Portfolio Committee, Mr. Errol Magerman, tabled the Committee's report on the Final Mandate related to the National Credit Amendment Bill [B30-2018].

2. PROCESS FOLLOWED

The Speaker formally referred the National Credit Amendment Bill [B30-2018] Section 76, to the Portfolio Committee on Economic Development, Environment, Agriculture and Rural Development referred to as the Committee, for consideration in terms of Rule 248 (1)(a) read with 250 (1) and 251.

On the 24th Wednesday, October 2018 the Permanent Delegate from the National Council of Provinces (NCOP), Honourable E. Mlambo gave a briefing to the Committee on the Bill. This was followed by a presentation by the National Department of Trade and Industry and the National Credit Regulator. Subsequently to that, the Gauteng Department of Economic Development made a presentation on the views of the Executive on matters related to the National Credit Amendment Bill [B30-2018].

In the same meeting, a research analysis focusing on the socio-economic impact of the Bill and the legal opinion were presented respectively by the Research Unit and the Legal Unit from the Gauteng Provincial Legislature.

In fulfilling its constitutional mandate, the Committee published adverts in the following newspapers: The Star, Sowetan and the Business Day on Monday 5th November 2018. The advertorials enabled the Committee to request members of the public and stakeholders to attend the public hearings and make comments on the Bill. Following that, the Committee convened two public hearings, firstly at the Suurmaan Community Hall within the Tshwane Metropolitan Municipality on the 8th November 2018 and at the Sicelo Shiceka Community Hall in Meyerton on the 10th November 2018.

The Portfolio Committee deliberated and adopted the draft report on the Negotiating Mandate of the National Credit Amendment Bill [B30-2018] in a meeting that convened on Thursday, 7th February 2018. Following this meeting the Committee adopted the Committee's Report on the Final Mandate on the National Credit Amendment Bill [B30-2018] in a meeting that convened on the 15th February 2019.

3. PRINCIPLES AND DETAILS OF THE BILL

To amend the National Credit Act, 2005, so as to provide for debt intervention; to insert new definitions; to include the evaluation and referral of debt intervention applications as a function of the National Credit Regulator and to provide for the creation of capacity within the National Credit Regulator and logistical arrangements to execute this function; to include the consideration of a referral as a function of the Tribunal; to provide for the recording of information related to debt intervention; to require a debt counsellor to investigate whether an agreement is reckless; to provide for a court to enquire into and either refer a matter for debt intervention or make an order related to debt intervention; to provide for a Magistrate's Court and the Tribunal to determine the maximum interest, fees or other charges when re-arranging debt and for guidance to be prescribed in this regard; to provide for an application for debt intervention and the evaluation thereof; to provide for the Tribunal to re-arrange a consumer's obligations and make an order in respect of an unlawful credit agreement; to provide for orders related to debt intervention and rehabilitation in respect of such an order; to provide for mandatory credit life insurance to be prescribed; to provide for offences related to debt intervention, prohibited credit practices, selling or collecting prescribed debt and related to failure to register as required by the Act; to provide for measures when an offence is committed by a person other than a natural person; to provide for penalties in relation to the newly created offences; to provide for the Tribunal to change or rescind an order under certain circumstances; to require the Minister to make regulations related to a financial literacy programme; to provide in a transitional provision for the application of this Amendment Act to credit agreements entered into before its commencement; and to provide for matters connected therewith.

4. OBJECTIVES OF THE BILL

The purpose of the National Credit Amendment Bill is to amend the 2005 Act therefore promote and advance the social and economic welfare of South Africans; to promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market industry and to protect consumers.

5. FINANCIAL IMPLICATIONS

The implementation of the Act will have financial implications for the National Credit Regulator and Tribunal, in that it will;

Require additional capacity to process the applications for debt intervention.

6. FINAL POSITION ADOPTED BY THE COMMITTEE

After due consideration, the Economic Development, Environment, Agriculture and Rural Development Portfolio Committee in accordance with Rule 117(2)(c), adopted the report in support of the National Credit Amendment Bill [B30-2018] Section 76 as referred and recommends its adoption by the House.

Furthermore, in terms of the Section 65 of Constitution, the Portfolio Committee on Economic Development, Environment, Agriculture and Rural Development confer authority on the Gauteng Provincial Delegate/s to National Council of Provinces to **vote in favour** on the National Credit Amendment Bill [B30-2018].