

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE IN PARLIAMENT: 4 NOVEMBER 2022**

**“3753. Mr D F Mthenjane (EFF) to ask the Minister of Small Business Development:**

**What steps of intervention has the Small Enterprise Finance Agency taken to ensure that micro-lenders were charged fair interest rates by intermediaries in the 2021-22 financial year?” NW4641E**

**REPLY: I have been advised by the department as follows:**

The Small Enterprise Finance Agency (**sefa**), is required to ensure that all of its clients, that are required to adhere to the National Credit Act (NCA) are compliant and registered throughout the life of any loan from sefa,

All micro finance intermediaries in the **sefa** micro finance portfolios are registered with the National Credit Regulator (NCR). The NCA regulates all interest and fee charges between the end client and the intermediary client of **sefa**. All **sefa** clients are registered with the NCR and their interest rates are therefore regulated by the Act.

**sefa** as part of its due diligence process and through the life of the loan monitors the clients’ compliance to the act. Additionally, each of the **sefa** clients must ensure that their NCR certificates remain current throughout their loan period with **sefa**. The **sefa** clients therefore needs to provide the NCR with quarterly and annual reports detailing their loans disbursed, their charges and fees as well as other aspects of compliance.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: SMALL BUSINESS DEVELOPMENT**