

Media Release

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The Supreme Court of Appeal dismisses the MFSA's application for special leave to appeal the judgment of the Full Court of the North Gauteng High Court on the interest rate regulations

The Supreme Court of Appeal has on 08th November 2018 dismissed the MicroFinance South Africa's (MFSA) application for special leave to appeal the judgment of the Full Court of the North Gauteng High Court in favour of the National Credit Regulator (NCR) and Department of Trade and Industry (dti) on the regulations reducing the interest rates on the short-term loan.

The regulations reduced the interest rate on the second short-term loan in a calendar year from 5% to 3% per month.

"The NCR welcomes the decision of the Supreme Court of Appeal and calls on all credit providers to support initiatives by government and the NCR to address consumer over-indebtedness", says Nomsa Motshegare, Chief Executive Officer of the NCR.

The regulations remain in force and mean that consumers pay 5% interest on the first short-term loan and 3% interest on subsequent short-term loans in a calendar year.

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About The National Credit Regulator

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act 34 of 2005 (the Act) and is responsible for the regulation of the South African credit industry. The NCR is mandated with the registration of credit providers, credit bureaus, debt counsellors, payment distribution agents, and alternative dispute resolution agents; and monitoring their conduct in compliance with the National Credit Act as amended. The National Credit Regulator offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible and dynamic.

For more information contact:

Media Office: media@ncr.org.za

Or

Lebogang Selibi

(011) 554-2722

E-mail: lselibi@ncr.org.za