

NOTICE TO COMPLY IN TERMS OF SECTION 55(1) OF THE NATIONAL CREDIT ACT, 34 OF 2005 ("the Act")

NCR Form 13

Name of registrant

Barko Financial Services (Pty) Ltd

Address

48 Morone Street
Burgersfort
1150

Registration

Registration number: NCRCP 1764

A. In terms of Section 55(1) and 55 (3) of the Act your attention is drawn to the fact that you have failed to comply with the provisions of the Act, in that you:

1. Offer emergency loans to consumers without obtaining reasonable proof of the existence of an emergency as defined in section 1 of the Act. This practice is in contravention of section 78(2) of the Act.
2. Offer school loans to consumers without ensuring that the money advanced is paid to the school on account of school fees or related costs as defined in section 1 of the Act. This practice undermines the purpose and objective of the Act, in particular section 3 (c) of the Act.

B. In terms of Section 55 (3) of the Act, you are required to take the following steps to address the non compliance with the Act:

With immediate effect,

1. Cease from offering emergency loans to consumers without obtaining reasonable proof of the existence of an emergency and refrain from such practice in future.
2. Cease from offering school loans to consumers without ensuring that the money advanced is paid to the school in account of school fees or related costs and refrain from such practice in future.

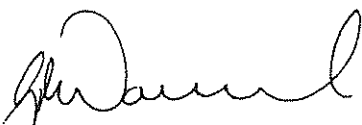
3. In respect of any credit agreement which does not meet the requirements for exception as per section 78(2), to comply with the requirements of sections 81 to 84 in respect of affordability assessments, over-indebtedness and the prevention of reckless credit.

C. As required in terms of Section 55 (3)(e), we would like to bring to your attention that the following orders may be made and penalties may be imposed if the required steps are not taken to rectify the areas on non compliance:

- i. The NCR may refer this matter to the Tribunal, which may impose the penalties as defined in section 150 of the Act for each act of non-compliance, including
- (a) declaring any conduct to be prohibited;
 - (b) interdicting such prohibited conduct;
 - (c) an administrative fine not exceeding the greater of 10% of your annual turnover during the preceding financial year; or R 1 000 000 (One Million Rand);
 - (d) suspending or cancelling your registration;
 - (e) requiring repayment to consumers of any excess amounts charged;
or
 - (f) any other appropriate order.
- ii. The NCR may further refer certain matters to the National Prosecuting Authority, which may institute legal action resulting in criminal prosecutions.

D. We wish to bring to your attention that you may object to this Notice in terms of section 56 of the Act and may request the Tribunal to review this Notice, within 15 business days after receiving this notice.

Signed at Midrand on 09 June 2009,



Gabriel Davel
Chief Executive Officer
National Credit Regulator