

PRESS RELEASE

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National Credit Regulator and IFC announce Tech Competition to Empower Small Credit Providers in South Africa

The National Credit Regulator (NCR), in partnership with the Government of Japan and the International Finance Corporation (IFC), have come together to launch an innovative TechSprint competition (also known as the Hackathon) designed to support the digitisation and regulatory compliance of small credit providers in South Africa.

The initiative will incorporate a virtual TechSprint and subsequent Showcase event, engaging software developers and technology teams to create robust and affordable solutions for small credit providers, ultimately promoting financial inclusion for underserved borrowers.

In the virtual TechSprint (Hackathon), taking place from 16 to 20 October 2023, Tech teams will enter a hackathon to build a prototype solution addressing the issue at hand. Winners will be announced on the Demo Day scheduled for 20 October 2023. Once the winners are selected, a Solution Showcase event will take place on 24 October 2023 in which the winning tech teams will virtually present their solutions to the credit industry. Applications for the virtual TechSprint (Hackathon) event are open and Tech teams have until 19 September 2023 to enter.

Small credit providers play a crucial role in the South African financial ecosystem, serving the base of the pyramid and the last mile. However, many of these credit providers face challenges in complying with Regulation 19(13) of the National Credit Act (NCA), which prescribes how credit providers must submit credit information to a credit bureau.

The TechSprint and Showcase events aim to address these issues by leveraging technological innovation to improve the resilience and compliance of small credit providers. Participating teams will have 3-4 days to build prototype solutions, with support from experts and the project team. A demo day will follow on 20 October 2023, during which teams would present their prototypes to a panel of judges, who would select the winning team(s) based on predefined criteria. The TechSprint winners will then be supported by an incubation programme to take their solution to market and start bridging the gap for small credit providers.

First prize is R100,000 cash with a 3-month incubation programme worth R65,000. The runners up for second and third places, would receive R60,000 and R40,000, respectively.

“Through this initiative, we want to drive economic growth by providing essential financial services to those who would otherwise be excluded from the formal financial sector. Together with our partners in this project we had to find a solution to enhance credit visibility for borrowers, reduce the potential for over-indebtedness, provide more accurate data for regulatory purposes, and lower compliance burden. We can’t wait to see how these Tech teams make compliance more affordable and accessible.” said the NCR Chief Executive Officer, Nomsa Motshegare.

To participate, teams must demonstrate their ability to create solutions that address the following key elements:

- **Resilience:** Enable digital on-boarding and credit extension by small credit providers to underserved markets.
- **Compliance:** Ensure effective participation in information sharing, submission, and regulatory reporting.

The TechSprint (Hackathon) competition is open to software developers, technology teams, and other interested parties with the capacity and capability to develop innovative tech solutions. Participants must be available during the TechSprint dates.

If you and your team think you have what it takes to win, registrations are now open for the virtual TechSprint and Showcase events until 19 September 2023:

Registration for the Techsprint: <https://forms.gle/3oqDZu8zBDxdfNkT8>

Registration for the Showcase: <https://forms.gle/P7aLnZk1Qog3bQir5>

To learn more about the NCR Onboarding TechSprint visit <https://www.ncr.org.za/index.php/publications/techsprint> for more information.

About The National Credit Regulator (NCR)

The National Credit Regulator (NCR) was established in terms of the National Credit Act, (NCA) 2005 (Act 34 of 2005)) 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, Alternative Dispute Resolution Agents; and monitoring their conduct in compliance with the NCA. The NCR offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible, and dynamic.

About International Finance Corporation (IFC)

The International Finance Corporation (IFC), a member of the World Bank, is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2023, IFC committed a record \$43.7 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

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