

Deadline looming for credit provider registration

As from the 11th November 2016, all persons and entities granting credit should be registered with the National Credit Regulator (NCR), says Nthupang Magolego, Senior Legal Advisor at the NCR. During May 2016, the Minister of Trade and Industry, Dr Rob Davies, determined a new threshold of NIL (0) for the purpose of determining whether or not a credit provider is required to be registered with the National Credit Regulator in terms of the National Credit Act (NCA).

Previously, a person or entity was compelled to be registered only if the value of that person's or entity's credit agreements amounted to R500 000 or if that person or entity concluded 100 credit agreements. "This threshold has been effectively repealed", says Magolego.

"The implication of the new threshold is that as from the 11th November 2016, any person or entity that is involved in the provision of credit is now required to register irrespective of the number of agreements and / or the value of the principal debt," reiterates Magolego.

She says there will be consequences for people or institutions that plan on extending credit without being registered. "Credit agreements concluded by such unregistered credit providers will be unlawful," says Magolego.

"We encourage consumers to only use registered credit providers when seeking credit as doing so will advance their rights as outlined in the NCA," she concludes.

For additional information on registered credit providers or to register as a credit provider, please go to www.ncr.org.za.

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