

## **CONSULTATION FEEDBACK NOTE**

Relating to the draft public compliance communication 23A that provides guidance on the definition of and industry risks relating to credit providers.

**18 December 2024**

## INTRODUCTION

1. The Financial Intelligence Centre (FIC) issued for consultation [draft public compliance communication \(PCC\) 23A](#) for consideration and the provision of comments by accountable institutions, in terms of section 42B of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).
2. The first period for consultation started on Thursday, 15 December 2022 up until Friday, 20 January 2023. Consultation comments were received from banks, financial services providers, industry associations and consultants.
3. The comments received have been considered and the updated version of the draft PCC 23A has been issued for consultation.

## THEMATIC FEEDBACK

High-level feedback on the consultation comments received are noted thematically below:

### *Consideration of item 11 of Schedule 1 to the FIC Act scope*

4. Commentators sought further clarity on the scope of item 11 of Schedule 1 to the FIC Act. Noting concerns regarding the "narrow" interpretation of accountable institutions and reference to the National Credit Act (NCA), which is correct but seems to put the spotlight on NCA registered credit providers, commentators requested further emphasis be placed on credit providers currently outside the ambit of the NCA and clarify their position.
5. In response, draft PCC 23A has been updated to provide further clarity on which entities fall within the ambit of the second category of credit providers as per item 11 of Schedule 1 to the FIC Act.

### *Use of terminology, including credit agreement*

6. The meaning of the terms, including "credit agreement" has been aligned as far as possible to the definitions as set out in the NCA, for the first and second category of credit providers.

### *Incidental credit agreements*

7. Commentators sought clarity on whether entities that enter into incidental credit agreements only, are required to register with the Centre as accountable institutions. Draft PCC 23A has been updated to provide further clarity in this regard.

### **CONCLUSION**

8. The Centre thanks all commentators and notes that all comments received have been considered and incorporated in the updated draft PCC 23A, where appropriate.
9. The draft PCC 23A has been issued on 18 December 2024 for a second round of [consultation](#).

### **COMMUNICATION WITH THE CENTRE**

10. Queries can be directed to the compliance contact centre on 012 641 6000 and select option 1. Queries can also be submitted online by clicking on <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the Centre's website and submitting an online compliance query.

#### **Issued By:**

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