

## GUIDELINE NOTES FOR A PROSPECT MICRO CREDIT PROVIDER

To start a new venture as credit provider in the micro finance spectrum of the macro economy of South Africa, you need to:

1. Acquaint yourself with the National Credit Act (Act 34 of 2005) and the relevant Regulations thereto available on the website of the MFSa ([www.mfsa.net](http://www.mfsa.net)) or the National Credit Regulator ([www.ncr.org.za](http://www.ncr.org.za))
2. Develop a business plan and a detailed budget (keep the challenges of the industry in mind)
3. Register your business entity (company, close corporation, trust, etc.) with the Registrar of Companies (to obtain a company registration number).
4. Register the business entity with the National Credit Regulator (NCR). Tel. 011 554 2600
5. Affiliate to the industry trendsetter, the MFSa, which is acknowledged in the industry and able to put your business on the front foot with all the relevant stakeholders in the financial arena.
6. Validate and choose:
  - a computer programme (debtor administration system) on which you can build your database, and with possible linkage to:
  - a credit bureau,
  - the National Credit Register and
  - a collection system.(List of service providers attached)
7. Register your entity with SARS (PAYE and VAT), the Compensation Commission and Department of Labour (UIF).
8. Appoint an accountant / auditor.
9. Buy or rent a business premises - we are in a very professional business.
10. Apply for an ADSL line from a service provider, as business is done electronically.
11. Ensure that you have adequate equity available for:
  - setting up the business, and
  - capital to be distributed amongst your future clientele.
12. Training for yourself and/or staff members can be obtained (at a cost) from accredited Service Providers - we are working towards distant training and education courses which will be available to the market in due course.

## WHY THE MFSa AS YOUR “BUSINESS PARTNER” IN TODAY’S CREDIT PROVIDER INDUSTRY?

**VISION:** Ensuring a sustainable Microfinance industry.

**MISSION:** Promoting the interest of our members and their clients through advocacy, member interaction & development

**VALUES:** Professionalism  
Client care  
Ethical conduct

The MFSa was established in 1996 to serve as mouthpiece for the individual micro lender within the bigger scope of the macro economy of South Africa.

The MFSa is:

- a non-profit organisation (Sect 21 Company) with a Memorandum of Incorporation, a Board of Directors and working committees.
- the officially recognised representative body of professional micro credit providers.
- is a self-regulating organisation for the sake of an ethical industry.
- is an organisation of voluntary members who are dedicated, registered and committed to professional business practices.
- is committed to service its members, consumers, the industry and the total economic sector.
- protects the rights and interest of professional micro credit providers
- is inextricably rooted and molten in the future of South Africa

Today we are representing the micro credit providers industry (either through forum or Board representation) in the following public spheres:

### PARLIAMENT / GOVERNMENT DEPARTMENTS:

- Dti
- Treasury
- South African Reserve Bank

### NATIONAL CREDIT REGULATOR:

The NCR - direct open relationship with all departments of the NCR (and was founder member of the former MFRC)

Credit Tribunal  
National Loans Register  
National Credit Register

### INDUSTRY REPRESENTATIVE INSTITUTIONS:

- Banking Council / Association
- Credit Bureau Association (CBA)
- Credit Ombud (CO) / Credit Information Ombud (CIO)
- Credit Provider’s Association (CPA)
- Clothing Retailers Association (CRA)
- Furniture Traders Association (FTA)
- National Debt Mediation Association (NDMA)
- Payment Association of South Africa (PASA & PSSF)
- Association of System Operators (ASO)

**Representative body of registered and legal Microfinance Credit Providers in South Africa.**

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**INDUSTRY SOLUTIONS/ASSOCIATIONS:**

Credit Bureau Association (CBA)  
Payment System Stakeholder Forum (PSSF)  
Service Providers i.r.o. Loan Administration Programmes and Collection Systems

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## TYPICAL CHALLENGES IN THE INDUSTRY:

- \* **Knowledge** of the NCA and its Regulations
- \* Determine the **market segment** that you want to target (part of your business plan)
- \* **Systems** to support your business plan
- \* **Securities** - are you going to operate in a cashless environment?
- \* Qualified and trained **staff members**

## LIST OF MFSa ASSOCIATE MEMBERS (SERVICE PROVIDERS):

### Debtor (Loan) Administration Programmes:

- |                    |  |
|--------------------|--|
| • A4dable Software | <a href="http://www.a4dable.co.za">www.a4dable.co.za</a>       |
| • Delter IT        | <a href="http://www.delter.co.za">www.delter.co.za</a>         |
| • Ke Concepts      | <a href="http://www.ke.co.za">www.ke.co.za</a>                 |
| • Mycomax          | <a href="http://www.mycomax.co.za">www.mycomax.co.za</a>       |
| • Proloan          | <a href="http://www.compuscan.co.za">www.compuscan.co.za</a>   |
| • ACPAS            | <a href="http://www.acpas.co.za">www.acpas.co.za</a>           |
| • Ke Concepts      | <a href="http://www.ke.co.za">www.ke.co.za</a>                 |
| • PIC Solutions    | <a href="http://www.picsolutions.com">www.picsolutions.com</a> |
| • Magnacorp        | <a href="http://www.magcorp.co.za">www.magcorp.co.za</a>       |

### Brokers / Insurance:

- |                     |  |
|---------------------|--|
| • Aspis             | <a href="http://www.aspis.co.za">www.aspis.co.za</a> |
| • Universal Choices |  |

### Electronic Payment / Collection Systems:

- |                 |  |
|-----------------|--|
| • Allps/Intecon | <a href="http://www.intecon.co.za">www.intecon.co.za</a> |
| • Mycomax       | <a href="http://www.mycomax.co.za">www.mycomax.co.za</a> |
| • NuPay         | <a href="http://www.nupay.co.za">www.nupay.co.za</a>     |
| • RealPay       | <a href="http://www.realpay.co.za">www.realpay.co.za</a> |
| • PayM8         | <a href="http://www.paym8.co.za">www.paym8.co.za</a>     |

### Credit Bureaux:

- |              |  |
|--------------|--|
| • CompuScan  | <a href="http://www.compuscan.co.za">www.compuscan.co.za</a>   |
| • XDS        | <a href="http://www.xds.co.za">www.xds.co.za</a>               |
| • Transunion | <a href="http://www.transunion.co.za">www.transunion.co.za</a> |

### Training:

- |        |  |
|--------|--|
| • CSTI | <a href="http://www.compuscan.co.za">www.compuscan.co.za</a> |
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### Legal