

Credit Providers - NCA Registration Threshold Reduced To Nil

If you are a credit provider and required to register as such in terms of the NCA (National Credit Act), not doing so can have drastic consequences for you. For a start, your agreements will likely be declared void and unenforceable.

Apart from some specific exclusions from the NCA's provisions (take advice if you aren't sure whether you fall into any of them), you must register if the total principal debt owed to you under all outstanding credit agreements exceeds a set threshold. This used to be R500,000 but has now been reduced to nil – meaning that all affected credit providers have to register regardless of the amount of credit advanced.

The NCA and Regulations are complex with a lot of technical requirements and pitfalls for the unwary, so get help from your lawyer if you are unsure of anything!

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