

SEPTEMBER 2023

**TERMS OF REFERENCE FOR THE APPOINTMENT OF A
SERVICE PROVIDER TO REVIEW AND ENHANCE THE
PRESCRIBED STATISTICAL RETURNS (FORMS) SUBMITTED
BY REGISTRANTS TO THE NATIONAL CREDIT REGULATOR**

RFP NUMBER: NCR 865.08.2023

DUE DATE: 22 SEPTEMBER 2023 AT 11H00 AM

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TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO REVIEW AND ENHANCE THE PRESCRIBED STATISTICAL RETURNS (FORMS) SUBMITTED BY REGISTRANTS TO THE NATIONAL CREDIT REGULATOR

1. Purpose

The purpose of these terms of references (TOR) is to request the Chief Executive Officer (CEO) to approve the funding for reviewing and enhancing the prescribed statistical returns (forms) submitted by registrants to the National Credit Regulator (NCR).

2. Background

In terms of the National Credit Act (NCA) the National Credit Regulator (NCR) is required to increase knowledge of the nature and dynamics in the consumer credit market and industry. The Regulations to the NCA impose requirements on Credit Providers, Debt Counsellor, Credit Bureaus, and Credit Life Insurers to report at specified periods using several statistical returns. The statutory applicable statistical returns are Form 39, Form 42, Form 44 and Form 45. The NCR makes use of these returns for purposes of gathering and consolidating data and publishes some of these reports on a quarterly basis.

Two of the flagship statistical reports that are published by the NCR are the Credit Bureau Monitor (CBM) and Consumer Credit Market Report (CCMR). The former is collated and published using data collected from registered Credit Bureaus (CB's) while the latter is based on the data collected from registered Credit Providers (CP's). In terms of the Regulations in Section 64, Section 69 and Section 71 of the NCA, Credit Providers, Debt Counsellors and Credit Bureaus are required to submit quarterly returns to the NCR by the due dates set out in the Table 1 below:

Table 1

Quarters	Reporting period	Due date for the Statutory reporting
Quarter 1	1 January – 31 March	15 May
Quarter 2	1 April – 30 June	15 August
Quarter 3	1 July – 30 September	15 November
Quarter 4	1 October – 31 December	15 February

In terms of the Regulations 72 of the NCA, Credit Life Insurers are required to submit quarterly returns to the NCR 30 days after the end of the quarter set out in the Table 2 below:

Table 2

Quarters	Reporting period
Quarter 1	1 January – 31 March
Quarter 2	1 April – 30 June
Quarter 3	1 July – 30 September
Quarter 4	1 October – 31 December

The NCR utilises Form 39 and Form 42 that are in the Regulations of the NCA to collate and publish statistical data from Credit Providers and Debt Counsellors respectively. The Forms have been in use since the inception of the NCA in 2006. The South African credit market is very dynamic, and the data collection tools have not kept up to date with the rapid changes that have been happening in the credit market.

The NCR commissioned a study in 2022 that was undertaken by an Actuarial Firm to review the cost of Credit Life Insurance within the Republic of South Africa. Part of the recommendations that emanated from the study was for the NCR to revamp and enhance the current data collection tool, Form 45 which has been in use since the inception of the NCA. The implementation of the said recommendations requires an in-depth knowledge and experience of Insurance products and the market. The Service Provider undertaking the task must have the capacity and requisite skill to incorporate the said recommendations and other necessary changes to enhance the Form 45 Statutory Return.

The NCR is embarking on a process to review and enhance the current data collection tools to make them relevant to the current market conditions, and to meet the requirements of both the internal and external stakeholders. The services of a suitably qualified service provider with a depth of knowledge and experience in reviews and formulation of data collection tools would be best done by an external Service Provider on behalf of the NCR.

3. Project Objectives

The objective of this proposal is to appoint a professional and suitably qualified Service Provider (SP) that will assist the NCR and Statistics and Research department with the following services:

- The review and enhancement of the current prescribed Form-39 that is used by Credit Providers to submit data on a quarterly basis to the NCR. The prescribed Return has been in use since the inception of “the Act”.

- The formulation and design of a “shortened version” of the Form-39 which will be used by smaller CP for annual submissions. The envisaged Form is not in the regulations and is currently non-existent.
- The review and enhancement of the current prescribed Form-42 that is used by Debt Counsellors to submit data on a quarterly basis to the NCR. The prescribed Return has been in use since the inception of “the Act”.
- The review and enhancement of the current prescribed Form-45 that is used by Credit Insurers to submit data on a quarterly basis to the NCR. The prescribed Return has been in use since the inception of “the Act”.
- Consult relevant stakeholders and advice the NCR on any emergent trends observed in the market that may have a bearing to the proposed returns.
- Review, overhaul and enhance the current prescribed Returns to yield the information that is relevant in line with NCR mandate and Government requirements.
- Formulate a Guideline explaining each line item in the form in consultation with the relevant industry. The guideline must incorporate the dynamic Credit Industry.
- Implement recommendations of the Credit Life Insurance study (conducted in 2022) that specifically mention changes to form 45.
- Make the benchmark on the consumer data collection tools with similar institutions locally and internationally. Provide the NCR with the advice on best practice standards relating to data collection tools.

4. Scope of work

The NCR requires the services of a suitably qualified and experienced service provider to revamp and enhance statistical returns relating to registrants as stated in the TOR’s project objectives. The current returns should form the basis of the review taking account the market dynamics, NCR mandate and government requirements. Factors that may have a bearing on the consumer credit market in South Africa should be considered. To this effect the service provider is required to:

- Engage relevant registrants with a view of getting their input relating to any possible omissions in the current returns and adjust the tool as may be necessary. The respective registrants are Credit Providers, Debt Counsellors and Credit Life Insurers.
- Engage relevant external and internal stakeholders to establish data requirements that they may have from the NCR in line with the NCA mandate. Such Stakeholders should include but not limited to the following: Debt Counsellors Association, Banking Industry Associations, Credit Providers Associations, relevant NCR Departments, relevant Ombudsman’s, and other relevant Government departments.

- Overhaul and enhance the statistical returns to yield more dynamic and relevant information in line with current market conditions. Registrants' segmentation must be considered and built into the tool where this may have desired effect.
- Benchmark the returns with similar institutions locally and internationally with a view of identifying gaps in the current data collection.
- Provide definition of each line item in the enhanced Forms in consultation with the relevant industry. Incorporate the dynamic and evolving changes in the credit industry.
- Implement recommendations of the Credit Life Insurance study (conducted in 2022) that specifically mention changes to Form 45.
- Produce a final report detailing the findings with necessary recommendations that include enhanced forms relating to Debt Counsellors, Credit Providers and Credit Insurers.

5. Deliverables

The service provider is required to deliver the following:

Report of the review and recommendations together with the following enhanced forms:

- a) Form 39 Quarterly return,
- b) Form 39 Annual return,
- c) Form 42 Quarterly return,
- d) Form 45 Quarterly return.

6. Project Term

The project must be completed within a period of six months from the date of appointment.

7. Functionality

Bids will be evaluated strictly according to the technical bid evaluation criteria stipulated in the table below:

VALUES:

1=Poor,

2=did not meet the requirement,

3= partially met the requirement,

4= meet the requirements,

5=Exceed the requirements.

Description	Weight	Bidder Self- Score	NCR score
Experience	40		
<ul style="list-style-type: none"> Bidders must show and indicated that they have designed or reviewed data collection tools for government, public entities, or private sector – clientele. Evidence from entities must include the name of the company in a letter head document, the year of review in the past 5 years from the date of this RFQ and confirmation letter of the success of the review. The reviews/design must have been done in the last 5 years and clientele confirmation letters must be included. <p>Points allocation:</p> <ul style="list-style-type: none"> ➤ Successful review/design done for more than 5 entities within the past 5 years = 5 ➤ Successful review/design done for 5 entities within the past 5 years = 4 ➤ Successful review/design done for 4 entities within the past 5 years = 3 ➤ Successful review/design done for 3 entities within the past 5 years = 2 ➤ Successful review/design done for 2 entities within the past 5 years = 1 			
References	10		
<ul style="list-style-type: none"> The bidder must provide written references and their contact details for similar services provided in the last 5 years including the period when the service was rendered. Reference letters for similar services rendered in relation to Data Form design/review, with contact details including contact telephone, email address and the position of the responsible person. References must be for work undertaken in the last 5 years. 			

<p>Points allocation:</p> <ul style="list-style-type: none"> ➤ More than 5 reference letters with relevant information as outlined in the TOR = 5 ➤ 5 reference letters with relevant information as outlined in the TOR = 4 ➤ 4 reference letters with relevant information as outlined in the TOR = 3 ➤ 3 reference letters with relevant information as outlined in the TOR = 2 ➤ Less than 2 reference letters with relevant information as outlined in the TOR = 1 			
<p>Internal Capacity</p>	<p>30</p>		
<p>The proposal should clearly indicate whether bid participants have the internal capacity to meet the requirements of the TOR.</p> <p>The bidder must give an indication of the proposed team, preference to multi skilled team with Actuarial, financial, statistical, economic and some legal skills,</p> <ul style="list-style-type: none"> • Submit a brief CV and qualifications of each team member. • Team Leader must have 7 years' experience in reviewing/designing data collection forms in the government, public entitles or private sector. • Team members must have at least a minimum of 5 years in analytical working experience. • Project team must have a combination of all the skills outlined in the TOR (Actuarial, Financial, Statistical, Economic and Legal skills) <p>Points allocation:</p> <ul style="list-style-type: none"> ➤ Team Leader has more than 7 years' experience, majority of team members have more than 5 years in analytical work = 5. ➤ Team Leader has 7 years' experience; majority of the team members have 5 years in analytical 			

<p>work =4.</p> <ul style="list-style-type: none"> ➤ Team Leader has 6 years' experience, majority of the team members have 4 years in analytical work = 3. ➤ Team Leader has 5 years' experience; majority of the team members have 3 years in analytical work = 2. ➤ Team Leader has less than 5 years' experience, majority of the team members have less than 3 years in analytical work = 1; 			
Methodology	20		
<ul style="list-style-type: none"> • Bidders must indicate their understanding of the NCR scope of work, timelines, and output for this project. • Proposal must contain the details of the project plan to be adopted to deliver the service in accordance with the TOR. • Methodology must clearly illustrate the need that the project is meant to address, the solutions envisaged, the changes expected as a direct consequence of the delivered project outputs. Also indicated a detailed brief description of the project, its goals and objectives, timelines, key milestones, potential risks, and problems, items and/ resources needed to complete a project. • Included in the plan should also be the following: Methodology must include the following: • Project plan including clear milestones and timelines. • Clearly outline the approach to undertake the scope of work and project objectives. • Personnel allocated to the project. • Possible risk and mitigation plan. • Work to be outsourced (if any) to third parties. <p>Points allocation:</p> <ul style="list-style-type: none"> • The bidder has outlined all the requirements in the TOR and 			

<p>work plan indicates completion in less than six months of appointment and the receipt of the purchase order =5</p> <ul style="list-style-type: none"> • The bidder has outlined all the requirements in the TOR and work plan indicates completion in six months of appointment and the receipt of the purchase order =4 • The bidder has outlined all the requirements in the TOR and work plan indicates completion in seven months of appointment and the receipt of the purchase order =3 • The bidder has outlined all the requirements in the TOR and work plan indicates completion in eight months of appointment and the receipt of the purchase order =2 • The bidder has not outlined all the requirements in the TOR and work plan indicates completion more than eight months of appointment and the receipt of the purchase order =1 			
TOTAL SCORE	100		

Additional Information

The service provider is required to provide the NCR with the following information:

- Brief company profile, as relevant to the above-mentioned terms of reference and experience in the relevant areas.
- Certification of all team members, highlighting experience relevant to this exercise.
- Confirmation that the proposed team members will in fact be available to undertake this exercise at the appropriate time and meet the necessary deadlines.
- Contact details of references from amongst recent clients with whom similar work has been done as set out in the TOR.
- Certificate of incorporation / legal status and financial proposal
- Certified copy of the BBBEE certificate or Affidavit