



STATEMENT TO ALL THE REGISTERED CFIS

The National Treasury and the Co-operative Banks Development Agency (CBDA) have become aware of an email that was circulated to certain CFIs regarding a prepaid card that will be launched at the CFI Indaba to be held in Bloemfontein next week.

The National Treasury and the CBDA would like all the registered CFIs to note the following points regarding that email:

- 1) The entity issuing the prepaid cards is not supervised by the South African Reserve Bank or the CBDA and for this reason National Treasury and the CBDA distance themselves from the contents of that email.
- 2) Neither the South African Reserve Bank nor the CBDA has been given an opportunity to review the product on offer therefore the two institutions cannot comment on its authenticity.
- 3) In the interest of the CFIs and their members it is important for CFI - managers and board of directors - to carefully and thoroughly evaluate any new product proposal presented to them. It is imperative for each CFI to understand the full costs, short and long term implications and the full capabilities of such a product and whether it will meet the needs of the members and whether members' funds will be safe and secure.
- 4) Before the CFIs sign up for any new product, it is important that they consult:
 - a. The National Treasury and regulatory authorities i.e. the CBDA and the South African Reserve Bank to discuss the implications of such products including whether members funds can safely be entrusted to the product provider and whether such product provider is regulated and supervised, and;
 - b. Their members and are in a position to explain the cost implications as well as the advantages and the disadvantages of such a product.

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