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## **STATEMENT TO ALL THE REGISTERED CFIs**

### **DISTRIBUTION OF SOCIAL GRANTS**

It is in the public domain that the South African Social Security Agency (SASSA) is considering expanding its payment channels for the distribution of Social Grants. In that regard, SASSA is considering utilising Co-operative Financial Institutions (CFIs) (the term CFI includes Co-operative Banks) as payment channels for social grants.

The CBDA would like all the CFIs to note the following with regards to this development:

- 1) The CBDA and SASSA are still in intense discussions to formalize the relationship between the two Agencies. These discussions should culminate in the signing of a Memorandum of Understanding that will clearly stipulate amongst other things; the roles and responsibilities of each agency, communication protocols, oversight expectations, including a work plan that outlines specific deliverables and milestones.
- 2) Qualification to distribute social grants will not be automatic for registered CFIs. Under discussion between the two agencies (and other stakeholders) is the development of a Qualification Criteria (QC), that CFIs will have to comply with in order to qualify for this opportunity. This QC will amongst other things cover the following topics; Compliance, Human Capital, Operational Discipline and Capability, Infrastructure and Risk Management.
- 3) Furthermore, the two agencies will develop a roadmap to assist and fully capacitate those CFIs that meet the stipulated QC.
- 4) Discussions are also underway with the Supervisor of CFIs and other stakeholders to tackle any issues of concern.

All of the above is work in progress and in the coming few months the CBDA and SASSA will keep the CFIs updated of any progress in this regard. This includes the publication of the Qualification Criteria, Norms and Standards and any other requirements.

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