



At the Heart of The Cooperative Banking Sector



**Pre-registration Support for Organised
Groups and Interested Parties**
**Open Banking Activities: Focus on Screen
Scraping**
**Register of Co-operative Financial
Institutions (CFIs)**

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Editorial

The Co-operative Banks Development Agency (CBDA) was established in terms of the Act, with the aim to promote and advance the social and economic welfare of all South Africans by enhancing access to banking services under sustainable conditions. Through many research and publications over the years the CBDA's existence a firm vision started forming as to where the CBDA should be placed within the South African, Small Medium Macro Enterprise and cooperative frameworks as capacitors of the financial cooperatives.

The financial year 2021/2022 become a challenging year with the merger being announced and the CBDA then operating without an Acting Managing Director. This hampered some operational projects, but business operations and the capacitation of the sector continued without fail.

The World Bank started the draft of a Cooperative Sector Strategy Paper in March 2021 which was prepared at the request of the National Treasury under the SECO-funded Financial Sector Development Reform Program (FSDRP) II managed by the World Bank, and the final publication was completed in February 2022 with a focus on three (3) pillars, **Pillar 1:** Value Added Products and Systems, **Pillar 2:** Robust Sources of Funding and **Pillar 3:** Digital Delivery Channels which talks to Economic and Financial Inclusion for Workers and Mixed-Income Communities through Quality Co-operative Banking.



Catherine Whitley

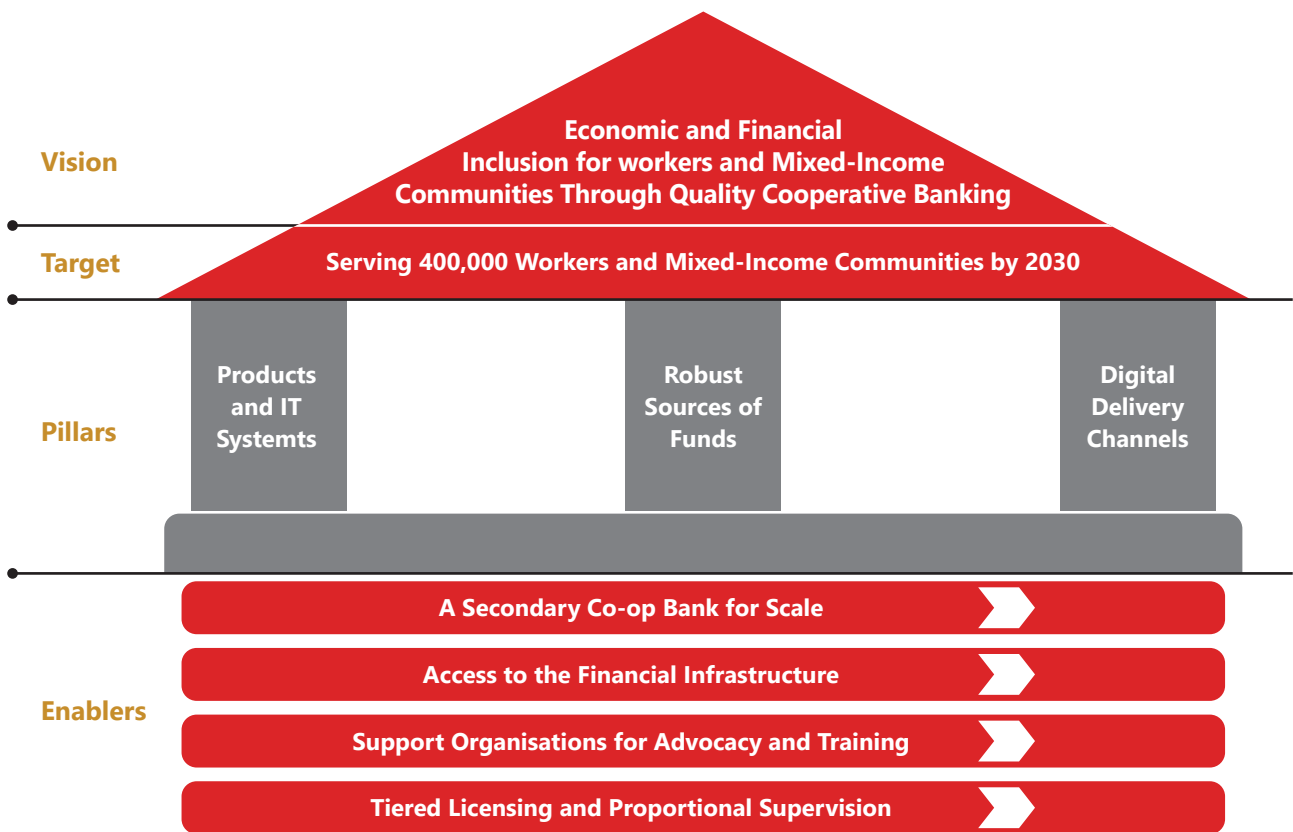


Figure 1: Overview of Sector Development Strategy

The Paper also looks into Enablers of the Strategy to have or inform.

- 1) **Enabler 1:** a Second Tier Co-operative Bank for Scale
 - a. To facilitate technology services, access to the financial infrastructure and intermediate funds among CFIs/CBs.
- 2) **Enabler 2:** Access to the Financial Infrastructure

- a. To compete with banks CFIs/CBs need to have direct access to the financial infrastructure as opposed to paying competitors for access through them.
- 3) **Enabler 3:** Representatives bodies for Advocacy and Training
 - a. There is a need for: 1) a strong representative body, (2) a Second-Tier Co-operative Bank (as discussed

above), and (3) Support Organization(s) for training and to facilitate access to concessional funding.

4) **Enabler 4: Tiered Licensing & Proportional Supervision**

- a. Lightertouch regulation and supervision for small entities would help the sector focus more on the provision of services and fair outcomes for members as opposed to compliance.

The 1st Workshop on the implementation of the “Cooperative Sector Strategy Paper (CSSP)” was hosted in Pretoria where Dave Grace, graced us with his presence (09 March 2022) in South Africa for a workshop on the

implementation of the Cooperative Sector Strategy Paper from 08 to 10th March 2022 with a workgroup of 16 (sixteen) individuals from the CBDA, CBIs and CFIs from the Eastern Cape, KwaZulu Natal, Gauteng and Free State with a view to define the process that will be undertaken to implement the Strategy within the Sector.

The aim is to see a strong cooperative sector that thrives and is trusted within the South African communities they serve. The Cooperative Sector Strategy Paper is published on <http://www.treasury.gov.za/coopbank/>.



Figure 2: CBI, Board members and members from (Medi.coop/ Nagriksa/ Umnotho/ SADTU/ Nehawu / Imvelo/ King Grange/ Ziphakamise/ SAMWU.

Why do you use a CFI/Co-operative Bank?

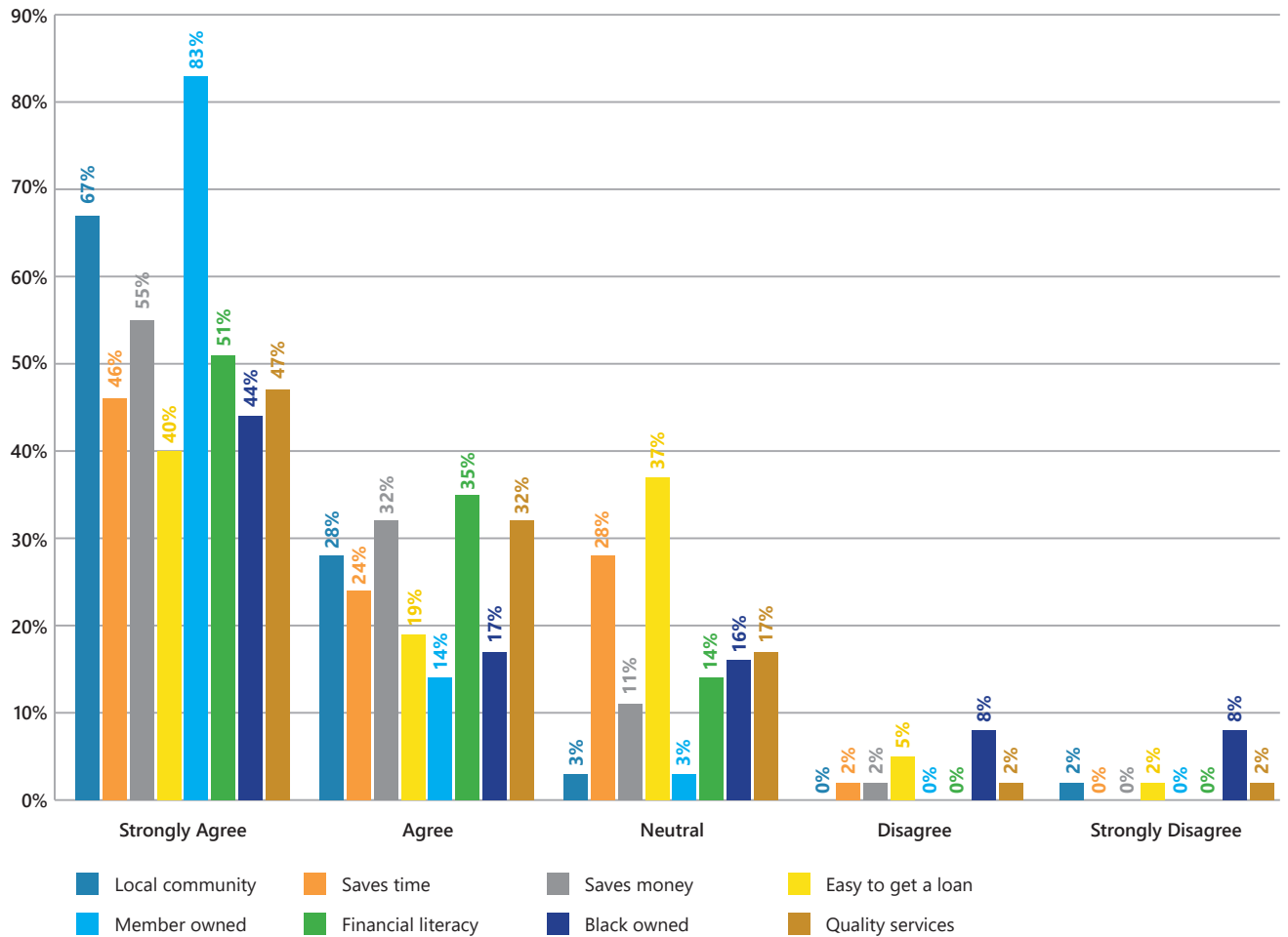


Figure 3: Value Proposition of CFIs/CBs

The above graph depicts a survey done in 2020 on why communities use a CFI/Cooperative Bank.

The Board

The CBDA Board is fully constituted and is driving the strategic mandate of the CBDA with guidance from the Chairperson (Mr. Luyanda Ntuane) who is also acting as signatory on all pertinent operational matters within the CBDA in the absence of an appointed Managing Director.

Resignations

It is with sadness that the Co-operative Banks Development Agency (CBDA) had to say its “Goodbye” to **Raesibe Mphahlele**, a Senior Technical Analyst in the Capacity Building unit at the end of February 2022 after spending (5) five years within the employ of the CBDA. CBDA wish her well on her career in her new environment.



Pre-registration Support for Organised Groups and Interested Parties

By Nare Senne



One of the essential services offered by CBDA within the Capacity Building function to the sector is the Pre-registration support. This service is targeted at potential Cooperative Banking Institution groups that meet the minimum requirements to register with the Prudential Authority (The minimum requirements being 200 members, R100 000.00 share capital and a well-defined common bond). The aim is to assist the groups in understanding the Cooperative Banking Model, the legislative environment, Policies required for registration, Business plan/Financial Modelling and the Registration Pack.

This Pre-registration support has been extended with support to assist all other groups and individuals that submit requests for information to the CBDA mailbox and staff members.

The Capacity Building unit conducts virtual information sessions/meetings with these organised groups on regular basis depending on the needs of each organised group

or interested parties, and also conducts information sharing via email and telephone.

During the current financial year (2021/2022) as at March 2022, CBDA has provided support and assistance to 100% of requests received from organised groups and individuals submitted to CBDA, either via email, telephonically or verbally. With the support and assistance of the CBDA a total of seven (7) organisations managed to prepare and submit applications for registration to the Prudential Authority (PA) unit at South African Reserve Bank (SARB). More applications are anticipated as several of the organised groups are currently preparing the required documentation and have met the minimum requirements for registration.

Potential CFIs/CBIs and interested parties are encouraged to contact CBDA for enquiries and for any assistance when required. The CBDA website has been updated with the latest information, which is accessible online anytime anywhere, <http://www.treasury.gov.za/coopbank/>.

Open Banking Activities: Focus on Screen Scraping

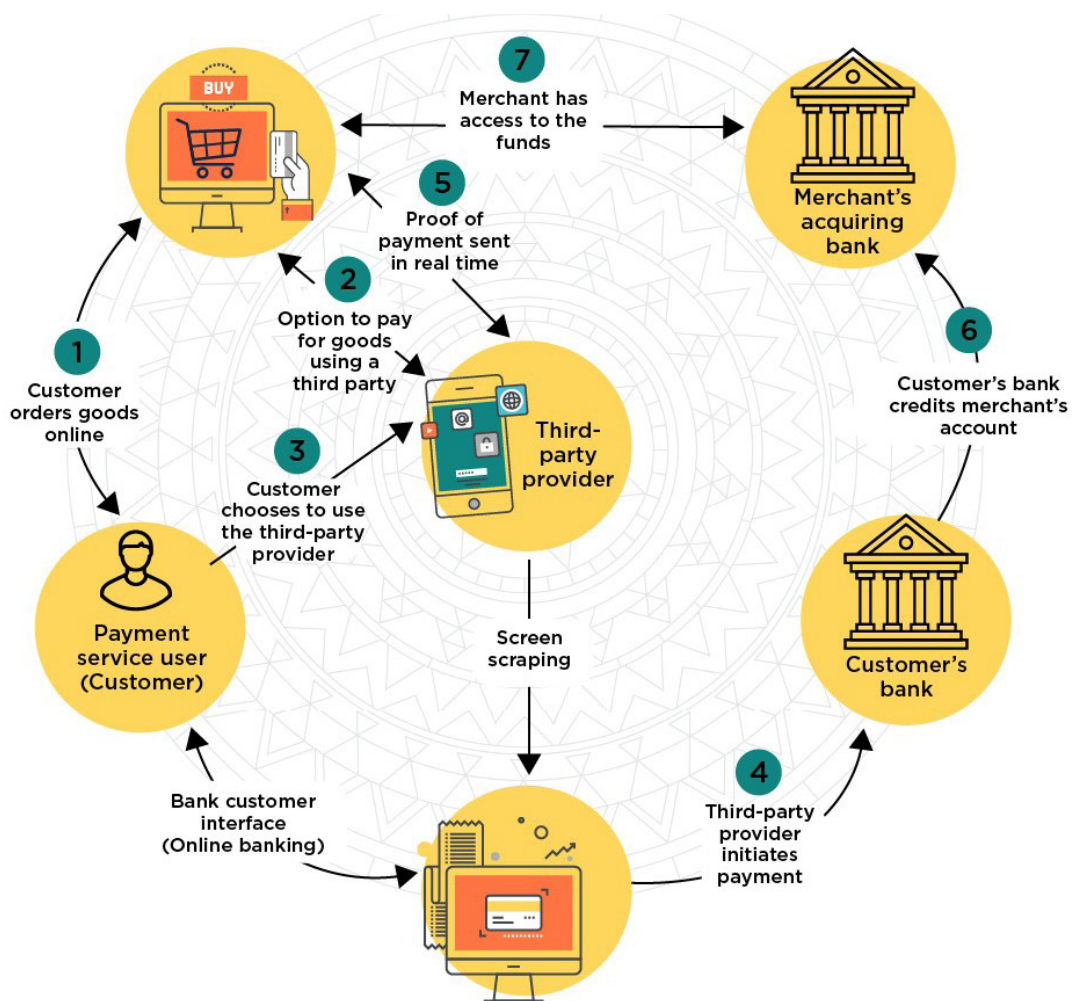
By Tebogo Tshabalala



Banking in South Africa has evolved, that includes technological innovations which bring with it convenience for the consumer. Financial technology (FinTech) is technology and innovation that aims to compete with traditional financial methods, by improving (and automating) the delivery of financial services. However, with these innovations there are advantages and that includes exposure to risks.

“SCREEN SCRAPING”

Screen scraping is the practice of reading and extracting data from a targeted website using computer software that impersonates a web browser



to extract data or perform actions that users would usually perform manually on the website. Instant "EFT" payments use a method called 'screen scraping', which makes it possible for third parties to access bank account data and automate actions on behalf of a consumer using that consumer's online banking access credentials. The access to the consumer's screen data is then used to facilitate payments.

"How Screen Scraping Works"

There are risks associated with screen scraping i.e., data privacy, fraud risk, breach of contractual agreements, risk of financial loss and the goods purchased. The South African Reserve Bank (SARB) has issued a notice alerting consumers on instant EFT online payments.

The following tips are outlined in the notice to consumers:

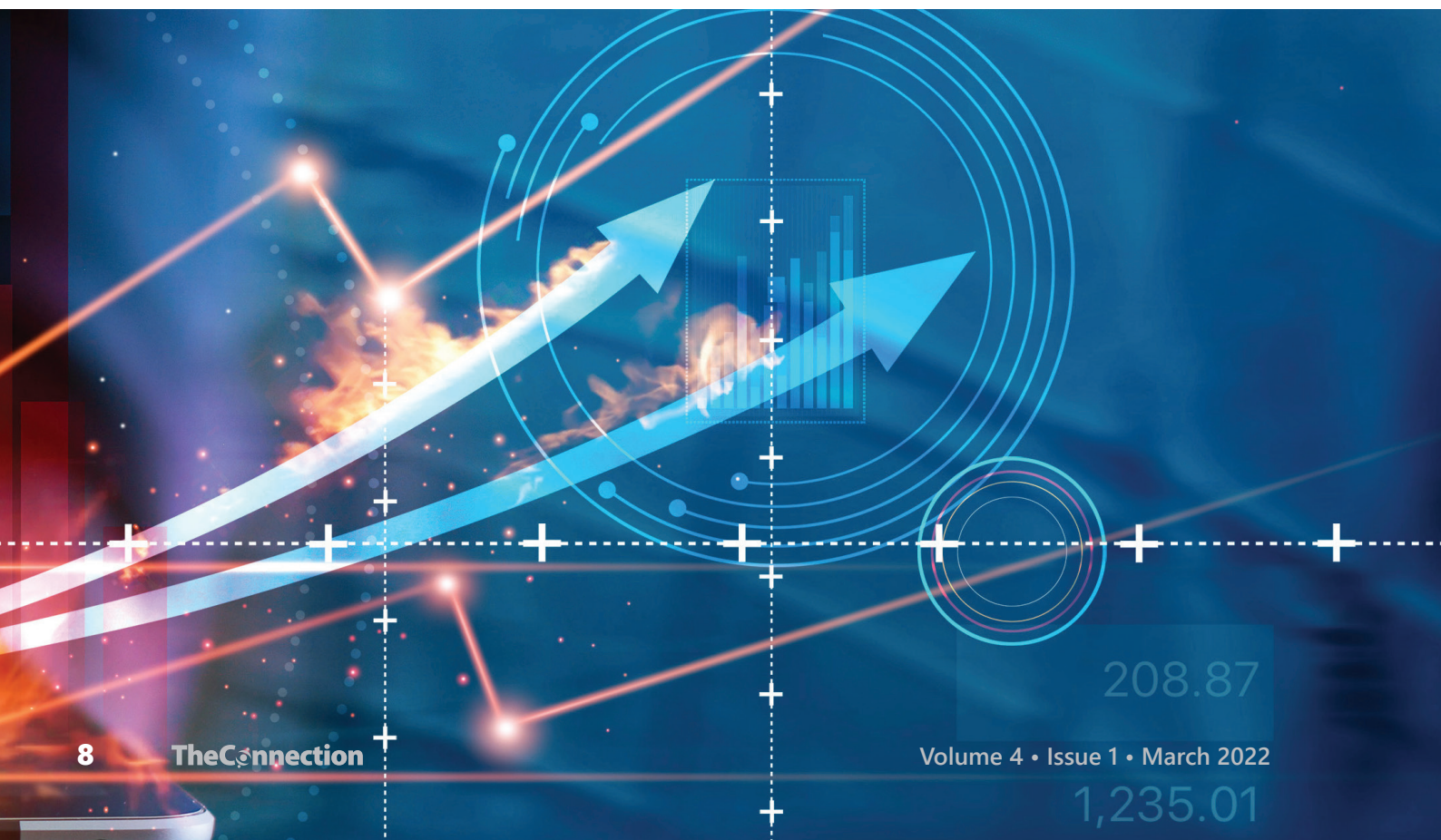
- Consumers need to be extra vigilant, do all their checks, including contacting their banks for advice, before proceeding with something marketed and disguised under the premise of convenience.

- Consumers should use industry-supported solutions, like paying with their cards (debit or credit cards) and receipt of a one-time pin at times.
- Consumers should not share their Internet banking logon credentials with any third party.

Use the link below to access the notice issued by South African Reserve Bank, Financial Sector Conduct Authority and Payments Association of South Africa. It provides further information on screen scraping.

https://www.resbank.co.za/content/dam/sarb/what-we-do/payments-and-settlements/regulation-oversight/Consumer%20alert%20on%20instant%20EFT%20online%20payments_Published%20version_.pdf

The SARB does not have a policy or regulatory framework on open banking. However, they've published a consultation paper with regards to open banking and can be accessed on this link <https://www.resbank.co.za/content/dam/sarb/what-we-do/payments-and-settlements/regulation-oversight/Consultation%20Paper%20on%20open%20banking.pdf>



Guidance Note 1 of 2022

CFI Meetings to be held during 2022

By Poppy Thubana



The CBDA would like to encourage the sector to take note of the Prudential Authority's first Guidance Note of 2022, for the co-operative banking institution sector. It was issued on the 11 March 2022 in accordance with Section 45(e) of the Co-operative Banks Act 40 of 2007.

The Guidance note seeks to provide practical guidance on **Meetings to be held during the 2022 calendar year with the boards of directors of co-operative financial institutions and co-operative banks.**

To assist the Prudential Authority (PA) to discharge its supervisory responsibilities, the scope of the meetings with the co-operative banking institutions' boards during the 2022 calendar year will include a discussion on the following flavour-of-the-year topic:

"Succession planning"

The chairperson of the board is required to make a presentation to the PA on succession planning. The duration of the presentation should be approximately 60 minutes. The PA requires a copy of the presentation to be provided at least three weeks prior to the board meeting.

The following documents should be submitted:

1. Agendas and minutes of the governance forums where succession planning was discussed.
2. Terms of reference of the nominating committee.
3. Copies of the formal succession plans in place for the board, MD and key roles. Ideally this should include emergency (unplanned vacancy), ready now, ready in 1-2 years, ready in 3-5 years.
4. Board Directorship continuity program and rotation.
5. Development plans for successors, including training programs and assessment of performance against development plans.
6. Nominations committee appointment policy.
7. Policy that governs retirement age and tenure.

More information about the guidance note is available by visiting the PA website or following the link below:

<https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-deposit-takers/co-operative-banks-guidance-notes/2022/GN-1-of-2022-CFI-Meetings-to-be-held-during-2022>

CBDA is available for any questions regarding the above-mentioned guidance note and assistance in developing/reviewing the succession planning; CBIs can contact us by emailing at CBDA@TREASURY.GOV.ZA.

Charity Club

As the sunsets on an era

By Caleb Mampane



South Africa is currently navigating its path through high levels of inequality and poverty while recording the highest unemployment rate of 35.3% (Q4: 2021) in the country's history. South Africans are, however, known for their ability to endure tough times and formulate abstract solutions that influence the global discourse. The unsustainable growth in societal challenges embedded in poverty, unemployment, and inequality (PUI) has constantly reaffirmed that the burden to turn the status quo around

does not solely lie in the government's hands. The crisis has escalated to become everyone's problem, including the private sector, organized civil society movements, and the general citizenry.

The establishment of the CBDA Charity Club (by the CBDA's employees) 11 years ago headed the call to join forces with government in contributing to the future South Africa they aspired to be a part of. The organisation's employees diligently started contributing towards this noble visionary initiative to respond to a loading national crisis without any fail. The charity club's core mandate was to utilize its monthly member contributions to positively impact the lives of disenfranchised South Africans. It delivered on its mandate by organizing around the annual "*Nelson Mandela Day*" celebrations together with the rest of the country.

The charity club committee identified NGOs, community formations, and unattached homeless people they aimed to support during that particular year. The committee conducted a needs analysis and delivered to these identified institutions within the charity club's budgetary determinations made for that year.



A snippet of the good stories to tell is reflected upon below:

1. The visit to Nthuthuko Stimulation Center in Soshanguvhe which provides stimulation to children born with various neurological conditions which ended up becoming a huge learning opportunity for most employees on the role of inclusion in any society;
2. The winter blankets and soup kitchen campaign for unattached homeless people in the Pretoria CBD (around the National Treasury offices) which got the homeless community engaged with the CBDA employees;
3. The visit to Leamogetswe Safety Home brought us closer to a community of orphaned and vulnerable children. The project manager at the facility said, ***'It is donors like you (the CBDA Charity Club members) that keep our mission of taking care of orphans and vulnerable children alive'***;
4. The visit to the Viva Foundation in Mamelodi introduced us to a broader community within the town ship that aims to fight poverty daily. The CEO of the

foundation said, ***'Having a gas freezer is truly nothing short of a blessing, as it enables us to purchase meat and other bulk fresh produce, to have margarine and other perishable groceries, that expands our nutritional choices and benefit the children tremendously'***.

The above stories are just a selection from a larger pool of stories that have planted a seed of change in people's lives. This seed of change aligns with the concern for communities, a co-operative principle. The major learning point from all the charity club engagements has highlighted that we are a reflection of the society/people we are constantly interacting with.

The announcement of the CBDA's merger into the new agency at the Department of Small Business during the second half of last year has resulted in the CBDA employees deciding to close the Charity Club as they move on to their new home. We wish for the CBDA employees to continue being selfless and contributing to the South Africa that they aspire to live in. When the curtain goes down at the end of the day, we must always remember that we remain human.

"Yours in cooperative spirit"

Register of Co-operative Financial Institutions (CFIs) with the Prudential Authority

No.	Name	Date Registered with the PA	Location	Common bond
1	Motswedi Financial Services Co-operative Limited	08/04/2019	Stand 1645 Sebalagane Sec, Motswedi village, North West Province	All people living, working and worshipping in Motswedi, Borakalalo, Gopane and Lobatla villages in the North West Province
2	Boikago Savings and Credit Co-operative Limited	08/05/2020	25 North Street, Mahikeng, 2745, North West Province	All the people living, working and worshipping in Mmbatho/Mafikeng and surrounding rural areas in the Mafikeng Local Municipality of the North West Province
3	SADTU Savings and Credit Co-operative Limited	27/05/2019	Corner Dann Road and Loam Street, Kempton Park, Gauteng	SADTU members, SADTU staff, SADTU and its related institutions and their employees
4	Umnotho Financial Institute Primary Co-operative Limited	28/05/2019	Plot 79 Nooitgeddag, Rietfontein, Muldersdrift, 1739 Muldersdrift, Gauteng	All members of Umnotho for Empowerment NPO and their immediate families
5	Kingdom Financial Institution Primary Co-operative Limited	19/03/2020	Corner Guido and Evelyn Street, Idutywa, Eastern Cape, 5000	Anyone who reside and/or working in Mbashe local municipality
6	Tshwane Community Financial Services Co-operative Limited	24/03/2020	8 First Street, Menlo Park, Pretoria, 0181	People who reside or work in Region 1 of Tshwane Metropolitan
7	Oranjekas Savings and Credit Co-operative (SACCO)	07/04/2020	1241 Collinlaan, Moregloed, Pretoria, 0186	All members of Volksekonomie Klub
8	Nagrik Financial Services Co-operative	07/04/2020	Corner Choprop House, 146 Willen Botha Street, Centurion, Pretoria	Persons in business in the area of Centurion
9	Poplar Frontline Foundation CFI Primary Co-operative Limited	07/04/2020	71172 Sinaba street, Daveyton, 1520	All members of Poplar Frontline Foundation (NGO)
10	Ndzhakeni South Avenue Co-operative Financial Services	07/04/2020	57 Lindhout Street, Noordheuwel X4, Krugersdorp, Johannesburg, 1739	Stokvel members of Ndzhakeni Investments Stokvel and New Avenue

No.	Name	Date Registered with the PA	Location	Common bond
11	GIG Financial Services Primary Co-operative Limited	14/04/2020	373 Leslie Avenue, Fourways, 2055 Gauteng	Members with common membership in the GIG Institute
12	Mutapa Financial Services Co-operative Limited	05/05/2020	Limdev Vuwani, Small Business Industries, Vuwani, Limpopo	People who reside or work in the magisterial district of Vuwani and surrounding areas of Mudavula, Mulamula, Khomanani and Levubu farms including the farm area of Ongedacht LE 52 (Kurhuleni/Mission)
13	Young Women in Business Network Co-operative Financial Institution Limited	19/05/2020	22 Voortrekker Avenue, Edenvale Ekurhuleni	Any member of the Young Women in Business Network (Pty) Limited who live and work in the SADC region. This would include professionals, entrepreneurs, business people, society groups and stokvels.
14	Kings Grange Stokvel Financial Services Co-operative Limited	17/06/2020	27 Greyling Street, Pietermaritzburg, 3201	Taxi operators of Grange, Westgate and Imbali taxi associations and their family members
15	Ndlovukazi YakwaZulu Women Financial Services Co-operative Limited	16/07/2020	16 Harish Road, Nagina, 4001	Women who are members of Nandi kaBhebhe co-operative
16	People Empowerment CFI Primary Co-operative Limited	16/07/2020	127 Johannes Nkosi street, Durban, 4000	All people who reside in Ethekwini municipality
17	Women Building Our Africa Financial Services Primary Co-operative Limited	29/07/2020	14 Frosterly Crescent Umhlanga, 4319	Members of Africa4Africa women empowerment Non Profit Company
18	Imvelo Agricultural Co-operative Financial Institution Limited	24/08/2020	No 22 Cathcart Road Queenstown, 5320	Agricultural Co-operatives and individuals within those Co-operatives in the Eastern Cape

No.	Name	Date Registered with the PA	Location	Common bond
19	SA Primary Medical Financial Co-operative Limited	14/09/2020	Luna Arco Offices, 201 Clock Tower Building, Waterfront, Cape Town, 8001	<p>Each member must provide proof of membership to one of the specified professional medical bodies / organisations prior to being allowed as a member:</p> <p>a) Health Professionals Council of South Africa;</p> <p>b) The South African Nursing Council;</p> <p>c) Pharmaceutical Society of South Africa;</p> <p>d) South African Medical, Homoeopathic, Physiotherapy and Psychiatrists Associations;</p> <p>e) Board of Healthcare Funders and the Council for Medical Schemes; South African Institute for Healthcare Managers;</p> <p>g) Hospital, Day Hospital and Renal Care Associations of South Africa;</p> <p>h) South African Veterinary Association; South African Medical Association; Any further groups approved by the Supervisor;</p> <p>k) The Public Health Association of South Africa;</p> <p>l) The South African Medical Device Industry Association; and</p> <p>m) The Professional Provident Society of South Africa.</p>
20	Isikhungo Sabantu Financial Services Primary Co-operative Limited	09/11/2020	3 rd Albertina Sisulu Road, Johannesburg, 2000	Members of the Isikhungo Sabantu Non Profit Company, their families and affiliated Non-Government Organizations (Early Childhood Development Movement) and Community Based Organisations (Congress of South African of Non-racial Communities' Movement)
21	National Stokvel Association of South Africa Financial Primary Co-operative Limited	16/02/2020	84 Albertina Sisulu Street, Johannesburg, 2000	Stokvel groups and individual Stokvel members in good standing with Stokvel groups that have a valid NASASA membership
22	Worcester Community Savings and Credit Cooperative Limited	24/03/2021	34 Klue Street, Bergsig, Worcester, Western Cape, 6850	All people who reside in the town of Worcester

No.	Name	Date Registered with the PA	Location	Common bond
23	The People's Stokvel Financial Co-operative	22/07/2021	138 West Street, Sandton, 2054	Associational common bond, all members of the PSFC will have to be members of the PCC before they can be considered for any product to be offered by the PSFC
24	NEHAWU Savings and Credit Co-operative Limited	18/08/2021	56 Marshall street, Ghandi Square, Johannesburg, Gauteng	Members and employees of NEHAWU trade union

*At time of registration/February 2021 (if already registered)

Deregistered

Black Capital Financial Services Co-operative
Londoloza Co-operative Financial Institution Limited
Mzansi Rural Arts and Craft Financial Services Co-operative Limited

Register of Co-operative Banks

Part 8 of the Regulations issued in terms of Section 86 of the Co-operative Banks Act, 2007 (Government Gazette No. 32357 dated 1 July 2009)

No.	Name	Type	Registration Number as a Co-operative Bank	Registration Number as a Co-operative
1	Ditsobotla Primary Savings and Credit Co-operative Bank	Primary Savings and Credit	PA COB 03	2001/000005/24
2	OSK Koöperatiewe Bank Beperk	Primary Savings and Loans	PA COB 01	2002/000019/24
3	Ziphakamise Savings and Credit Co-operative Bank	Primary Savings and Credit	PA COB 02	2008/001512/24
4	Webbers Employees Savings and Credit Co-operative Bank	Primary Savings and Loans	PA COB 04	2004/000013/24
5	KSK Koöperatiewe Bank Beperk	Primary Savings and Loans	PA COB 05	2004/000032/24

CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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