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02 August 2024

Dear Cooperative Banking Institutions/Stakeholders

Subject: Important Update on the National Small Enterprises Amendment Bill

We would like to inform you that the President has signed the National Small Enterprises Amendment Bill into law, which was published in Government Gazette No. 50965 on 23 July 2024.

The amendments to the National Small Enterprises Act will, among other things, consolidate the Small Enterprises Development Agency (SEDA), the Small Enterprises Financial Agency (sefa), and the Cooperative Banks Development Agency (CBDA) into a new entity called the Small Enterprise Development and Finance Agency (SEDFA).

As outlined in the Act, SEDFA will continue to provide both financial and non-financial support services to small enterprises, including cooperatives, while promoting the development of sustainable and responsible cooperative banking in South Africa.

The consequential amendments to the Cooperative Banks Act will transfer the responsibility for developing cooperative banking from CBDA to SEDFA. The Capacity Building Unit of the CBDA will be incorporated as a unit into SEDFA, ensuring ongoing support for the sector.

SEDFA will report to the Minister of Small Enterprise Development, Hon. Stella Ndabeni-Abrahams. The registration and supervision of cooperative banking institutions will remain with the Prudential Authority (PA), which reports to the Minister of Finance, Hon. Enoch Godongwana.

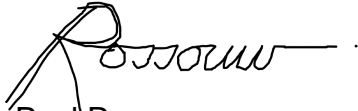
SEDFA's formal establishment is anticipated in early 2025, with the exact date to be announced in an upcoming Government Gazette.

Important Update on the National Small Enterprises Amendment Bill

We are excited about these changes, as we expect them to lead to more efficient and effective services for the cooperative banking sector once SEDFA is fully operational.

We will keep you updated on further developments.

Best regards,

A handwritten signature in black ink, appearing to read 'Rossouw', with a stylized flourish extending to the right.

Paul Rossouw

**Acting Managing Director
CBDA**