



fn inc

Attorneys Notaries Conveyancers

1st Floor, 2 Albury Park, Albury Road, Dunkeld West, 2196. Docex 11 Hyde Park. t +27 11 560 7100 f +27 11 759 7960. Stellenbosch Office: t +27 82 287 3173

REGISTRATION REQUIREMENTS WHEN LENDING MONEY

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Notice 158 of 2016

Since its coming into operation, the National Credit Act has obliged anyone lending money in an arm's length transaction to another (except in respect of 'incidental agreements') to register with the National Credit Regulator, if that lender is the credit provider in 100 or more credit agreements or the total principal debt owed under all outstanding loans exceeds R500,000.

In the realm of property transactions, this triggers compliance issues not only for banks but also for private persons who make interest-bearing loans to property purchasers. Amendments to the Act published on 11 May 2016, now determine a R nil threshold for lender registration for new loans entered into from 6 November 2016 onwards.

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