



CO-OPERATIVE BANKS DEVELOPMENT AGENCY

27th Floor, 240 Vermeulen Street • Private Bag X115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

SUPERVISORY AND REGULATORY RULES FOR CO-OPERATIVE FINANCIAL INSTITUTIONS (CFI) APPLYING FOR REGISTRATION TO THE CBDA

As required through GOVERNMENT NOTICE 35368, NO 404 of May 2012, point 3.(a)
Conditions.

20 July 2012

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1. Introduction

The Exemption Notice Program (ENP) policy framework provides guidance to the Co-operative Banks Development Agency (CBDA) as the designated regulator of Co-operative Financial Institutions (CFIs)¹.

The premise of this framework is the withdrawal of Exemption Notice Numbers 887 and 1176 which designated **samaf** and SACCOL as the regulators of CFIs not registered as co-operative banks.

This framework provides for 'warehousing' of the exemption notice within the CBDA, taking cognizance of the need to provide for the possible transfer of the regulatory function of CFIs not registered as co-op banks to a representative body, once such body is accredited by the CBDA in terms of the Co-operatives Banks Act 2007 and is operationally ready to assume the responsibility.

This centralization of the regulation and supervision of CFIs will:

- minimise regulatory arbitrage;
- optimise the use of supervisory expertise and resources;
- minimising regulatory burden;
- alleviate confusion in the sector; and
- achieve the development objectives of the Act.

Government notice 35368, No 404 of May 2012, Point 3 (a) conditions states that "a co-operative financial institution shall at all time subject itself to the supervision and regulations of the CBDA." These rules serve as the framework for the CBDA's regulations.

¹ In this policy document, unless otherwise stated, the phrase Co-operative Financial Institution (CFI) will be used to refer to all deposit taking co-operatives not registered in terms of the Co-operative Banks Act of 2007.

2. Purpose

These rules operationalize the policy framework for the management of the Exemption Notice Program within the CBDA

3. Registration Process

Step 1: A prospective CFI will apply to the CBDA (through the representative body*) to register once it has met all the registration and membership requirements of the representative body.

Step 2: The CBDA, upon satisfaction that the CFI has met all the requirements for registration, may conduct an onsite pre-registration review of the applying institution

Step 3: Once the CBDA has approved the registration, a copy of the application will be forwarded to the Registrar of Co-operatives, with a recommendation for registration.

Step 4: Upon issuance of the registration certificate by the Registrar of Co-operatives, the certificate will be forwarded back to the CBDA, which will issue the deposit taking certificate.

Step 5: The certificates will be forwarded to the representative body for distribution to the applying CFI.

***Note**

CFIs can submit their completed applications directly to the CBDA, until the administrative processes for the representative body are set up.

4. Application to register a CFI with the CBDA

- A CFI must meet all the requirements for registration in terms of the Cooperatives Act of 2005
- A CFI must meet all the requirements for membership of the representative body and provide a valid representative body membership certificate. *[Note: existing CFIs will also need to provide statements of compliance from the Registrar of Co-operatives.]*
- A CFI will be required to meet the Exemption Notice requirements and Conditions, CBDA rules, prudential and operational standards published by the CBDA and Registrar of Cooperatives;

- The intermediary completes the application forms (as per attachment 2- CBDA001);
- The completed application form is submitted to the representative body who will verify that it is completed in full, and all the necessary documentation is included.
- The application, upon verification will then be forwarded to the CBDA, with a supporting motivation;
- The CBDA, upon satisfaction that the CFI has met all the requirements for registration, may conduct an onsite pre-registration review of the applying institution.
- If approved, the CBDA will forward a copy of the application to the Registrar of Co-operatives with a recommendation to register the CFI.
- Once the Registrar of Co-operatives issues the registration certificate to the CBDA, the CBDA will issue a depositing taking license. The CBDA will send the deposit taking license, (with or without conditions), and the Registrar of Co-operatives' certificate to the representative body.
- If rejected, notification as to the reasons for rejection will be provided to the CFI.
- All registered CFIs will appear on the CBDA website

5. Criteria for Registration with CBDA

New Applications		Existing CFIs (registered with samaf/SACCOL)	
<i>Form</i>	<i>CIPC (registrar of co-ops)</i>	<i>Form</i>	<i>CIPC (registrar of co-ops)</i>
CR1	Application form	Copy	Registration certificate from CIPC
CR4	Appointment of auditors	Letter	Letter of good standing/compliance from the Registrar of Co-operatives
CR5	Reservation of name		
Note 1	Three certified copies of constitution		
<i>Form</i>	<i>CBDA rules</i>	<i>Form</i>	<i>CBDA rules</i>
CBDA 001	Application form	CBDA 001	Application form
	Members resolution		Latest annual financial statement (end of latest financial year)
	Certificate of membership to a representative body		Certificate of membership to a representative body
	Proof of bank account		Proof of bank account

CBDA 002	Membership Share Register confirming 200 fully paid up members	CBDA 002	Membership Share Register confirming 200 fully paid up members
	At least R100,000 in shares		At least R100,000 in shares
Note 2	NCR certificate	Note 2	NCR certificate
Note 3	Business plan including <ul style="list-style-type: none"> • Background • Human and operational capacity • Board experience, knowledge and qualifications • Three year financial forecasts • Product sheet 	Note 3	Business plan including <ul style="list-style-type: none"> • Background • Human and operational capacity • Board experience, knowledge and qualifications • Three year financial forecasts • Product sheet
Note 3	Policies <ul style="list-style-type: none"> • Savings policy • Lending policy 	Note 3	Policies <ul style="list-style-type: none"> • Savings policy • Lending policy
CBDA 003	Signed Directors commitment	CBDA 003	Signed Directors commitment
	Proof of payment into CBDA bank account (deposit slip) of the application fee of R250		Proof of payment into CBDA bank account (deposit slip) of the application fee of R250

Note 1: Refer to guidance notes issued by CBDA on requirement of the constitution available on <http://www.treasury.gov.za/coopbank/>

Furthermore either the model Financial Co-op (FC), FSC or SACCO constitutions must be presented for approval. The applying CFI must present/highlight any deviations from the model they are presenting. The model constitutions can be found at:

- (a) FSC: http://www.cipc.co.za/Coops_Constitutions.aspx
(b) Financial Co-operative: <http://www.treasury.gov.za/coopbank/>

NB: Registered Stokvel FSCs must meet the minimum requirements for a new CFI to be considered for registration.

Note 2: If applicable

Note 3: Refer to guidance notes issued by CBDA available on <http://www.treasury.gov.za/coopbank/>

- Guidelines on a business plan:
- Guidelines on savings policy:
- Guidelines on lending policy

- Three year financial forecast (newly applying CFIs must use guideline format in application)

An applying Co-operative Financial Institution must demonstrate to the satisfaction of the Regulator that it has sufficient human, financial and operational capacity to function efficiently and competently.

Existing CFIs will be given six (6) months to comply with the application requirements.

A SACCO or FSC currently registered with the SACCOL or samaf that meets all the requirements of the Gazette, but does not meet the minimum requirements as specified in these rules, may apply for a one (1) year conditional registration to meet all outstanding requirements. Such conditional registration may be approved at the discretion of the Regulator.

6. Reporting on Financial Performance and Prudential Requirements

Registered CFIs are expected to report to the CBDA on their financial performance (CBDA Returns 051, 052, 053, 054) on a quarterly basis for the following periods:

- 28 Feb
- 31 May
- 31 August
- 31 November

The financial year end for all registered CFIs will be 28 February.

All returns submitted to the CBDA must be signed by the Chairperson and the Treasurer or Manager of that CFI.

7. Renewals

All registered CFIs will have to apply for renewal of their licenses with the CBDA within three months of expiration of the annual license.

To renew licenses, CFIs must submit the following documents:

- **CBDA Form 012**
- Compliance letter from the Registrar of Co-operatives
- Letter of good standing from representative body

- Latest annual financial statements
- Proof of payment of renewal fee of R200
- **CBDA Form 014**, which is a the current Directors Schedule

8. Operational Requirements

CFIs must comply with the CBDA prudential and performance standards (Appendix 1A and 1B). On Application, CFIs not meeting current performance or operational standards could be provided a time frame in which these shortfalls must be addressed.

9. Inspections of CFIs

CFIs registered with the CBDA will be monitored through onsite inspections, as well as assessment of quarterly reports (CBDA Returns 051, 052, 053, 054)

CFIs will be required to comply with all the conditions as stipulated in the Government notice 35368, No 404 of May 2012 and other legislation

Registered CFIs may face fines and be issued with a non-compliance notice (**CBDA Form 004**), or be de-registered, if in the opinion of the Exemption Notice Program Committee, having considered sufficient evidence, fails to:

- Maintain the minimum prudential and operational standards
- Comply with the conditions of registration as per the Exemption notice; and
- Comply with any directive issued by the ENP and/or Registrar of Co-operatives,

10. Appeals

CFIs may appeal against the decisions of the Regulator to the appeals board by completing **CBDA Form 006**

An appeals application fee of R1,000 will be charged for each appeal.

11. FORMS/RETURNS



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CBDA FORM 001: CFI APPLICATION FOR REGISTRATION

INSTRUCTIONS FOR COMPLETION OF FORM

- 1) Write, typewrite or print in legible characters with deep permanent black ink, and lodge one set of the documents (of international size A4) with the representative body.
- 2) The application form and every page of every document attached must be signed by the chairperson of the proposed co-operative financial institution (CFI)
- 3) An application, which does not comply with the requirements of the Co-operatives Act of 2005, its Regulations, Government notice 35368, No 404 of May 2012, the CBDA regulations (the Rules) or the notes on this Form may be rejected.
- 4) Provide an explanation and motivation in respect of any of the required documentation listed below which is not submitted.
- 5) Please note the regulator may require a proposed applicant to furnish him/her with additional information/documents, or a report by an auditor/or any other knowledgeable person approved by the CBDA-Regulator, on aspects relating to the application

BACKGROUND: CFI

DESCRIPTION	DETAILS
Full Name of Organisation:	
Abbreviated Name:	
Physical Address (<i>where the CFI will be operating from</i>):	
Telephone Number:	

Cell:	
Email:	
Common Bond <i>(please provide a brief description)</i>	
Representative Body Membership Number	
New application <input type="checkbox"/> Existing application <input type="checkbox"/> <i>(please tick as appropriate)</i>	
Number of Members <input type="text"/>	Total Member Share Savings <input type="text"/>
CONTACT PERSON'S INFORMATION:	
Board Chairman:	
Name	Telephone:..... Cell:..... Email:.....
Manager	
Name	Telephone:..... Cell:..... Email:.....

SUPPORTING DOCUMENTATION (please enclose):

DOCUMENT	Please indicate as appropriate	
	Yes	No
Forms CR1, CR4 and CR 5 to be submitted to the Registrar of Cooperatives (<i>For new CFIs only</i>)		
Certificate of Confirmation of Incorporation issued by Registrar of Co-operatives (<i>for existing CFIs only</i>)		
Letter of compliance/good standing issued by Registrar of Co-operatives (<i>for existing CFIs only</i>)		
Certificate of Membership to a registered Representative Body		
Two (2) certified copies of the CFI's constitution that meets the requirements of constitution guidelines issued by the CBDA		
Annual financial reports for the last 2 years (<i>for existing CFIs only</i>)		
Proof of member shares to the value of R100,000		
Latest certified bank statement		
Member Resolutions to apply to CBDA for registration (<i>for new applications only</i>)		
Member Share register (showing at least 200 fully paid up members – CBDA Form 003),		
National Credit Regulatory certificate of registration (<i>if applicable</i>)		
Business plan which INCLUDES:	<ul style="list-style-type: none"> • <i>A short description of the background of the organization, experience in the sector and overall strategy to serve the target market.</i> 	
	<ul style="list-style-type: none"> • <i>Its human and operational capacity to operate efficiently and competently</i> 	
	<ul style="list-style-type: none"> • <i>The board of directors and management experience, knowledge and qualifications</i> 	
	<ul style="list-style-type: none"> • <i>3 year financial forecast showing viability plan of the entity</i> 	
	<ul style="list-style-type: none"> • <i>Product Sheet</i> 	
Credit/loans Policy (<i>if applicable</i>)		
Savings policy		
Signed Directors' Commitment (CBDA Form 003)		
Proof of payment of CBDA application fee		

DIRECTORS' SIGNOFF:

DIRECTOR NAME & SURNAME	POSITION ON BOARD	CONTACT NUMBER	SIGNATURE	DATE
	Chairman			
	Treasurer			

<p>MOTIVATION BY REPRESENTATIVE BODY</p>
<p>Signed.....<i>(on behalf of the Representative Body)</i></p> <p>Date.....</p>



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CBDA FORM 002: MEMBER SHARE REGISTER

Name	Surname	ID Number	Date Joined	No of shares	Shares (R value)



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CBDA FORM 003: BOARD OF DIRECTORS COMMITMENTS

**We, as directors of the CFI, on this theday of
20..... commit ourselves to ensuring that:**

- 1) Board of Directors, Audit/Supervisory Committee Members, Credit Committee members and full time staff will complete CBDA designated course/courses within one year of being elected as directors.
- 2) As directors we further commit to ensuring that the person employed as the General Manager, Managing Director, Manager, administrator or person ultimately responsible for the day-to-day running of the CFI will be competent and employed in a fair and transparent manner. The incumbent will have a minimum NQ level 4 qualification or equivalent experience with knowledge in book-keeping/accounting.
- 3) We commit to ensuring that the Co-operative Finance Institution operates within the terms of the Co-operatives Act, Exemption Notice, CBDA Rules, the co-operative principles and the CBDA CFI performance standards.
- 4) We undertake to ensure that our members are made aware, at least once a year, on the activities of the CFI and the co-operative principles.
- 5) We undertake to inform the CBDA of any operational changes in the CFI within three (3) months of such a change.

We also acknowledge that:

- 1) Failure to comply with any of the CBDA Rules and conditions of the licence will result in non compliance notices which may lead to deregistration of the CFI.
- 2) We owe our members a duty of care and may be held liable should the CFI misuse member savings during our term of office.

Signed *(at least five directors must sign on behalf of the board):*

	Name	Surname	Signed
Chairperson			
Vice Chairperson			
Treasurer			
Secretary			
Director			
Director			



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CBDA FORM 004: NON COMPLIANCE NOTICE

(Reference Number :.....)

1. Notice of non-compliance by a registered deposit taking cooperative in terms of *(Tick box)*:

	Government notice 35368, No 404 of May 2012
	CBDA Rules as approved July 2012

To:

Name of CFI	
Address	

2. It has come to the attention of the CBDA: Regulator of CFI, that your Cooperative Financial Institution is non-compliant.
3. In terms of your non-compliance, the CBDA: Regulator of CFI would like to bring to your attention the fact that you have failed to comply with the provisions of your registration as follows:

 You are therefore required to take the following steps within the stated period:

4. Note that you may object to this notice and request the Appeals Board, within 30 business days of receipt of this notice, after payment of the requisite fees, to review this notice. (Complete and submit form CBDA 006).
5. Kindly also further note that failure to comply with this notice may result in the Regulator recommending to the South African Reserve Bank (SARB) to deregister your CFI as a deposit taking institution.

Signed at[place] on this[day] of[month] of[year]

Signature of Regulator of CFIs.....

Full name of signatory:



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QUARTERLY REPORT SUBMISSIONS

(a) CBDA RETURN 051: Balance Sheet

REPORTING CFI	
REPORTING QUARTER	

<u>Ac</u> <u>ct.</u>	<u>Description</u>	<u>Amou</u> <u>nt</u>	<u>Ac</u> <u>ct.</u>	<u>Description</u>	<u>Amount</u>
<u>I. EARNING ASSETS</u>			<u>II. NON-EARNING ASSETS</u>		
<u>A. Loans Outstanding</u>			<u>A. Liquid Assets</u>		
4	Short term (<=1 year)		36		
5	Medium term (1-3 years)		37	Cash on hand and equivalents	
6	Long term (>3 years)		38	Cash at bank/Current Account (Checking)	
7	Other special loans		39	Foreign Currency (If specifically authorised)	
	Subtotal Loans Outstanding		40	Other Liquidity reserves 1	
8	Loan loss allowance		41	Other Liquidity reserves 2	
9	Net Loans Outstanding		42	Other liquid assets	
	<u>B. Liquid Assets</u>		43	Total Liquid Assets	
11	Deposit held with CBDA		<u>B. Accounts Receivable</u>		
12	Secondary co-op bank		45	Debtors	
13	Tertiary co-op bank		46	Interest receivable	
14	Commercial bank deposits		47	Notes receivable	
15	Bonds, debentures and collective investment schemes		48	Payroll deductions receivable	
			49	Interbranch loans receivable	
16	Total Liquid Investments		50	Other accounts receivable	
			51	Receivable loss allowance	

	Total Non-Regulated Investments		52	Total Accounts Receivable	
	<u>B.2. Regulated Liquid Investments</u>				
	Liquidity Reserves		53	<u>C. Fixed Assets</u>	
	Short-term Depos. in Regulated Fin.Inst.		54	Land	
	ST Government or Reg.Securities & Inv.		55	Buildings (cost)	
			56	Leasehold improvements	
17	(-) Liquid Investments Allowances		57	Furniture and equipment	
18	Total Liquid Assets		58	Revaluation of fixed assets	
	<u>C. Financial Investments</u>		59	Acc. Depreciation – buildings	
	<u>C.1. Financial Investments(redeemable after 32 days)</u>		60	Acc. Depreciation – leasehold improvements	
20	Shares – secondary and tertiary tier affiliation		61	Acc. Depreciation – furniture and equipment	
21	Deposits with higher tier co-operative banks		62	Acc. Depreciation – revaluations	
22	Commercial bank deposits		63	Total Net Fixed Assets	
23	Bonds and debentures				
24	Deposit held with the CBDA		64	<u>D. Other Assets</u>	
25	Collective investments		65	Assets in liquidation	
26	Other financial instruments (specify)		66	Organisational expenses	
27	Total Financial Investments		67	Prepaid expenses	
	Shares in Financial Institutions		68	Other Deferred assets	
	Long-Term Deposits in Fin.Institutions		69	Revaluation of other assets	
	LT Government or Reg.Securities& Inv.		70	Accumulated Amortization	
	Interbranch Investments		71	Total Other Assets	
			72	<u>E. Problem Assets</u>	
			73	Doubtful assets	
28	(-) Financial Investments Allowances		74	Sundry – Assets	
29	Total Financial Investments		75	Other problem assets	
	<u>D. Non-Financial Investments</u>		76	Problem asset allowance	
31	Various		77	Total Problem Assets	
32	Non-Financial Investment.				

	Allowances	
33	Total Non-Financial Investments	
	TOTAL EARNING ASSETS	

78	TOTAL NON-EARNING ASSETS	
	TOTAL ASSETS	

LIABILITIES & CAPITAL
III. INTEREST BEARING LIABILITIES

A. Member Savings Deposits

83	Regular Savings	
84	Fixed deposits > 3m-5y	
85	Youth savings	
86	Special savings (incl. Xmas/education)	
87	Pledged savings	
88	Total Savings Deposits	

B. External Credit

90	Higher tier co-operative bank (< or =1 Year)	
91	Higher tier co-operative bank (>1 year)	
92	Commercial Banks	
93	Development institutions	
94	CBDA	
95	Total External Credit	

96	Total Interest-Bearing Liabilities	
----	---	--

IV. NON-INTEREST BEARING LIAB.

A. Short-term Accounts Payable (<=30 days)

98	Short Term Accounts payable (<=30 days)	
99	External credit payments (< or =30 days)	
100	Expenses accrued (SARS) Provisions (e.g. Employee benefits)	
101		

V. CAPITAL

A. Member Share Capital

108	Mandatory Shares	
109	Voluntary Shares	
110	Total Member Share Capital	

B. Transitory Capital

111	Transitory Capital	
112	Asset Revaluations	
113	Education and social reserves	
114	Monetary reserves	
115	Other Reserves (donations)	
116	Sundry – Capital	
117	Other (specify)	
118	Total Transitory Capital	

C. Institutional Capital

119		
120	Statutory Reserves	
121	Retained earnings	
122	Other reserves	
123	YTD Net Income (loss)	
124	Net Institutional Capital	
125	TOTAL CAPITAL	

102 Sundry – liabilities

103 Other Liabilities

Total non interest bearing liabilities

126 **TOTAL LIABILITIES & CAP.**

B. External Credit Payments (<=30 days)

Payments

Total ST External Credit Payables

C. Provisions

Employee Benefits

Audit & Supervision

Currency Devaluation

Other

Total Provisions

D. Accounting Discrepancy - Liabilities

Discrepancy

Total Discrepancy

E. Other Liabilities

Other Accounts Payable

Dividends

Interest-Free Loans

Other

Total Other Liabilities

104 **TOT. NON-INT. BEARING LIAB.**

105 **TOTAL LIABILITIES**

Signed:

	Printed name and surname	Signature	Date
Chairperson			
Treasurer or Manager			

(b) CBDA RETURN 052: Income Statement

REPORTING CFI	
REPORTING QUARTER	

<u>Acct</u>	<u>Description</u>	<u>Amt</u>	<u>Acct</u>	<u>Description</u>	<u>Am</u> <u>t</u>
	Income			Operating Expenses	
	I. INCOME		P	<u>Personnel</u>	
200	<u>Income From Loans</u>			Employees Nett Salaries	
201	Interest income from loans			Employee SARS	
202	Delinquent penalty Interest income from loans			Staff Travel & Related Expenses	
203	Commissions / fees from loans			Education & Training	
204	Insurance premiums for loans			Other	
205	<u>Net Loan Income</u>			<u>Total Personnel Expenses</u>	
			R	<u>Governance</u>	
206	Income from liquid investments			Board & Committee Expenses	
207	Income from financial investments			Annual General Meeting	
208	Income from non-financial investments			Board & Committee Training	
209	Fees, commissions income (loan-unrelated)			League/Federation & Other Dues	
210	Income from other sources			Other Board/Committee Expenses	
211	Financial Income			<u>Total Governance Expenses</u>	
			S	<u>Marketing</u>	
	<u>II. FINANCIAL COSTS</u>			Publicity	
214	Interest expenses on savings deposits			Other marketing related costs	
215	Insurance premiums on deposits			<u>Total Marketing Expenses</u>	
216	Financial costs on external credit		T	<u>Administration</u>	
217	Dividend expenses on shares			Rent	
218	Insurance premiums for shares			Stationary	
219	Taxes paid on dividends paid on shares			Telephone	
220	Financial costs – shares			Water/Electricity	

221	Other financial costs			Other Admin Costs	
222	Total Financial Costs			Total Administration Expenses	
			U	Audit	
	III Gross Margin			Audit Fee	
223	NET FINANCIAL INCOME			Total Audit Expenses	
231	TOTAL OPERATING EXPENSES		V	Depreciation	
232	PROVISIONS FOR RISK ASSETS		230	Depreciation	
233	NET INCOME FROM OPERATIONS			Total Depreciation Expenses	
234	OTHER INCOME / EXPENSES			Total Operating Expenses	
235	Income from grants				
236	Previous periods adjustments (Net)				
237	Extraordinary income (Net)			Number of SACCO users	
238	TOTAL OTHER INCOME / EXPENSES			Men	
				Women	
239	Income Tax			Gender not reported	
				Groups	
				Total number of members and users	
	VIII. NET INCOME / LOSS			CFI Employees	
	<u>AMOUNT TRANSFERRED TO RESERVES</u>				

Signed:

	Printed name and surname	Signature	Date
Chairperson			
Treasurer or Manager			

(c) CBDA RETURN 053: Delinquency Loan Report

REPORTING CFI				
REPORTING QUARTER				
<u>Days in Arrears</u>	<u># of Loans</u>	<u>Loan Balances</u>	<u>Security (if any)</u>	<u>Provisions</u>
0 - 31 days		R	R	R
1 – 6 months delinquent		R	R	R
6 - 12 months delinquent		R	R	R
+ 12 months delinquent		R	R	R
Totals	0	0	0	0

Delinquent loan 31day + as percentage of Total loans

Delinquent loans 90+ as percentage of Total Loans

Delinquent loan means any loan in respect of which a payment due and payable has not been received in accordance with the terms of a contractual arrangement and includes:

- (i) In respect of a loans that provide for monthly payments, a loan in respect of a payment was not received 31 calendar days after the due date for payment
- (ii) In respect of loans that provide for daily or weekly payments, a loan in respect of which payment was not received on day after the due date for payment

Signed:

	Printed name and surname	Signature	Date
Chairperson			
Treasurer or Manager			

d) CBDA RETURN 054 Report on Board and Staff Related⁽¹⁾ loans

Name of borrower	Name and relationship (2)	Position in CFI (3)	Date issued	Term of loan (Months)	Amount dispersed	Current balance	Arrears
					R	R	R
					R	R	R
					R	R	R
					R	R	R
					R	R	R
					R	R	R
					R	R	R
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					R	R	R
					R	R	R
					R	R	R
					R	R	R
					R	R	R
(1) Related means: Direct family, including Spouse, Parents and Children							
(2) If applicable, stated the direct family member: State the name of the director, management or staff member, the borrower is related to and the nature of the relationship.							
(3) If applicable, state whether director, manager or staff member of the CFI							

Signed:

	Printed name and surname	Signature	Date
Chairperson			
Treasurer or Manager			



CO-OPERATIVE BANKS DEVELOPMENT AGENCY

27th Floor, 240 Vermeulen Street • Private Bag X115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

CBDA FORM 006: APPEALS NOTIFICATION

Notice of Appeal Against Decision of The Regulator as per the CBDA Rules as adopted on June 2012

To:
The CBDA Managing Director

Name of Applicant	
Registration Number	
Address	
Contact Person	
Contact Details	Phone:
	Cell:
	Email:

Details of Objection

With reference to Compliance Notification, Reference Number
 Appeal (*state the basis for your appeal – with supporting documentation if applicable. Please use additional pages if required.*).....

Declaration by Applicant

The applicant confirms that the information contained in this application is accurate and complete.
 Signature..... Date

For office use

Signature of authorized CBDA representative to receive appeal:

Name:.....Date:



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CBDA FORM 012: APPLICATION FOR ANNUAL LICENSE RENEWAL

INSTRUCTIONS FOR COMPLETION OF FORM

- 1) Write, typewrite or print in legible characters with deep permanent black ink, and lodge one set of the documents (of international size A4) with the representative body.
- 2) The application form and every page of every document attached must be signed by the chairperson of the proposed co-operative financial institution (CFI)
- 3) Any renewal, which does not comply with the requirements of the Co-operatives Act of 2005, its Regulations, Government notice 35368, No 404 of May 2012, the CBDA regulation (the Rules) or the notes on this Form may be rejected.
- 4) Provide an explanation and motivation in respect of any of the required documentation listed below which is not submitted.
- 5) Please note the regulator may require a proposed applicant to furnish him/her with additional information/documents, or a report by an auditor/or any other knowledgeable person approved by the CBDA-Regulator, on aspects relating to the renewal

BACKGROUND: CFI

DESCRIPTION	DETAILS
Full Name of Organisation:	
Abbreviated Name:	
Physical Address (<i>where the CFI will be operating from</i>)	
Telephone Number:	
Cell:	
Email:	
Common Bond (<i>please provide a brief</i>	

<i>description)</i>	
Representative Body Membership Number	
Number of Members <input type="text"/>	Total Member Share Savings <input type="text"/>
CONTACT PERSON'S INFORMATION:	
Board Chairman:	
Name	Telephone:..... Cell:..... Email:.....
Manager	
Name	Telephone:..... Cell:..... Email:.....

SUPPORTING DOCUMENTATION (please enclose):

DOCUMENT	Please indicate as appropriate	
	Yes	No
Letter of compliance/good standing issued by Registrar of Co-operatives		
Letter of good standing from a CBDA registered representative body		
Annual financial statements		
Signed Directors' Commitment (CBDA Form 003)		
Schedule of Directors (CBDA Form 014)		
Proof of payment of CBDA renewal fee		

DIRECTORS' SIGNOFF:

DIRECTOR NAME & SURNAME	POSITION ON BOARD	CONTACT NUMBER	SIGNATURE	DATE
	Chairman			
	Treasurer			

MOTIVATION BY REPRESENTATIVE BODY

Signed.....(*on behalf of the Representative Body*)

Date.....



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CBDA FORM 014: DIRECTORS SCHEDULE (for annual license renewals only)

Surname	Name	ID Number	Cellphone	Physical Address



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APPENDIX 1A: MINIMUM PRUDENTIAL STANDARDS FOR CFIs'

CFIs will be inspected and rated on their ability to meet the following minimum prudential requirements

No	STANDARD	DESCRIPTOR	MINIMUM
1	Registration	CIPC (CIPRO) Representative Body SARS NCR UIF CBDA / SARB	√ √ √ √ √ √
2	Outreach	No. of active savers	min 200
3	Compliance	Financial Statements (Returns) Audit Financial Statements Board meetings Annual General Meetings	Quarterly Annually Monthly Annually
4	Portfolio Quality	Delinquency Loan Loss Provision Ratio Total loan portfolio 1 – 6 months 6 – 12 moths 12 months & above	< 5% 2% 35% 50% 100%
5	Sustainability	Savings to Total Assets	max 80

		Loans to Total Assets	max 80%
		External Credit	max 15%
		Solvency (total assets/total liabilities)	100% +
		Non-earning and fixed Assets to total assets	max 5%
6	Capital Structure	Member Share Capital	min R100,000
		Capital ² Adequacy Ratio ³	min 6%
7	Liquidity	Liquid assets ⁴ to total deposits ratio	min of 10%
8	Exposures (as a percentage of total assets)	Board loans collectively	max 25%
		Loan per member	max 10%
		Individual share investment	max 20%
		Individual savings deposit	max 10%
		Investments as prescribed in Section 3.2 of the Co-op Bank Regulations No. 32357, 1 July 2009	

² **Capital:** Mandatory membership shares, indivisible reserves, retained earnings and any other non- distributable funds of a permanent nature as approved by the regulator,

³ **Capital Adequacy Ratio:** Capital less provisions over total assets

⁴ **Liquid assets** are defined as investments, as prescribed in Section 3.2 of the Co-op Bank Regulations No. 32357, 1 July 2009, with tenure not exceeding 32 days and convertible into cash at any time, without incurring any penalty.

APPENDIX 1B: OPERATIONAL STANDARDS FOR CFIs'

CFIs will be inspected and rated on their ability to meet the following minimum standards toward which all should strive.

No	PERFORMANCE AREA	DESCRIPTOR	MINIMUM
1	Governance	<p><u>Constitution</u></p> <ul style="list-style-type: none"> • Compliant to constitution which is reviewed from time to time <p><u>Board of Directors</u></p> <ul style="list-style-type: none"> • Number of fit and proper board members • Term of office (3 Yrs. Per Term) • Meetings • Minutes <p><u>Board Committees</u></p> <ul style="list-style-type: none"> • Governance Committee • Credit Committee • Supervisory/Audit committee • Education & Training Committee <p><u>Strategic Plan & Business Plan</u></p> <ul style="list-style-type: none"> • Documented, Implemented & Reviewed • Mission, Vision, Organogram, Key Strategic Issues, Objectives, Targets, Timelines and Responsible People, <p><u>Financial Reporting, Audit & AGMs</u></p> <ul style="list-style-type: none"> • Financial Reports <ul style="list-style-type: none"> • Income Statement • Balance Sheet • Audited Financial Reports • General Meetings 	<p style="text-align: center;">√</p> <p style="text-align: center;">9 – 15 2 Terms Monthly √</p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p> <p style="text-align: center;">Quarterly Quarterly</p> <p style="text-align: center;">Annual Annual</p>

2	Policies & Procedures	<ul style="list-style-type: none"> • Savings • Loans, Loan Write-Off, • Membership Recruitment • Liquidity Management • Investment • Human Resource <ul style="list-style-type: none"> ✚ Performance Management ✚ Succession Planning ✚ Training & Development ✚ Staff Recruitment, Contracts & Job Descriptions ✚ Maintain Management & Staff CVs • Procurement • Health & Safety • IT • Security • Code of Conduct of Board and Management • Risk management policies • Review of Policies 	<p><u><i>Documented, Adhered to & Reviewed</i></u></p> <p style="text-align: center;">√</p>
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3	Management	<p><u><i>Signs of Growth</i></u></p> <ul style="list-style-type: none"> • Membership growth • Asset growth <p><u><i>CFI Physical Structure</i></u></p> <ul style="list-style-type: none"> • Office • Office Furniture, Computers • Banking Hall • Security • Safe and strong Room • Fire Detectors • Alarm system <p><u><i>Human Resources Management</i></u></p> <ul style="list-style-type: none"> • Staff Training programmes • Job descriptions • Contract / Conditions of service • Performance management system 	<p>Positive Inflation +</p> <p><u><i>Established and reviewed</i></u></p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p>
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	Management	<ul style="list-style-type: none"> • Qualified management and staff • Organization Chart and Salary Structure <p><u>Record Keeping</u></p> <ul style="list-style-type: none"> • Financial Reporting to Board • Recruit bookkeeper / accounts clerk • Minutes • Member Documents • Source Documents • Financial Records • Information Back-Up <p><u>Management Information Systems (M.I.S)</u></p> <ul style="list-style-type: none"> • Integrated banking and accounting system • System Access Control • Back-up • Disaster Recovery Plan <p><u>Internal Controls</u></p> <ul style="list-style-type: none"> • Segregation of Duties • Authorisations • Access Controls 	 √ monthly √ √
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4	Financial Management	<p><u>Accounting</u></p> <ul style="list-style-type: none"> • Financial Statements Analysis • Bank Reconciliation Statements • Register of Assets • Secure Investments <p><u>Compliance</u></p> <ul style="list-style-type: none"> • Financial Reporting - CBDA • Financial Reporting - Registrar of Co-ops • All Minimum Requirements above (1-6) • All other Legal Requirements • Minimum Prudential 	Monthly Monthly Current √ Quarterly Annually √ √ Quarterly
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5	Marketing & Products	<ul style="list-style-type: none"> • Marketing Budget • Marketing Task Team/Officer • Marketing Plan • Signage • Branding • Member Recruitment Plan • Advertising - print & electronic media • Research member product needs • Product Development & Review • Product Pricing & Costing • Product prototype & test-runs before rollout • Member Feedback Mechanisms • Enhance branding, marketing plan – etc once registered as a Co-operative Bank • Introduce ATM – Advanced IT Banking 	<p><u>Developed & Implemented</u></p> <p style="text-align: center;">√</p>
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6	Co-operative Principles	<p><u>Open & Voluntary Membership</u></p> <ul style="list-style-type: none"> • Members join without discrimination <p><u>Democratic Member Control</u></p> <ul style="list-style-type: none"> • Members to attend meetings • Members' influence on how the CFI is run <p><u>Autonomy & Independence</u></p> <ul style="list-style-type: none"> • Non-availability of outside influence in the management and operations of the CFI <p><u>Education, Training & Information</u></p> <ul style="list-style-type: none"> • Display Principles at CFI Office • Hand-out Principles to members & prospective members • Educate all members about the cooperative • Regularly update members of CFI progress • Financial Literacy, budgeting, business development training for members 	<p><u>Comply To</u></p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p>
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		<p><u>Member Economic Participation</u></p> <ul style="list-style-type: none"> • Members to save continuously • Members to access loans for provident and productive purposes <p><u>Cooperation amongst cooperatives</u></p> <ul style="list-style-type: none"> • Financial Co-operative Forums • Participation in Local and international • Financial co-operative conferences <p><u>Concern for the Community</u></p> <ul style="list-style-type: none"> • Education Reserve Fund before dividends • Scholarships, Bursaries, Orphanage etc • Community Development Programs 	<p style="text-align: center;">√</p> <p style="text-align: center;">√</p> <p style="text-align: center;">√</p>
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