

Regulatory environment

South African regulatory bodies have broad jurisdiction over the Group's activities as Iemas operates in a highly regulated environment. These jurisdictions include credit granting practises, permissible rates of interest and fees charged to borrowers, debt collection, marketing, selling and advertising practices.

Governance and oversight structures have been implemented to ensure compliance with regulatory requirements.

The main applicable legislation includes:

- Basic Conditions of Employment Act, No 75 of 1997
- Co-operatives Act, No 14 of 2005
- Co-operatives Act, No 6 of 2013
- Companies Act, No 71 of 2008
- Debt Collection Act, No 114 of 1998
- Financial Intelligence Centre Act, No 38 of 2001
- Financial Sector Regulation Act, No 9 of 2017
- Income Tax Act, No 58 of 1962
- Long-term Insurance Act, No 52 of 1998
- National Credit Act, No 34 of 2005
- Occupational Health and Safety Act, No 85 of 1993
- Protection of Personal Information Act, No 4 of 2013
- Short-term Insurance Act, No 53 of 1998
- Value-Added Tax Act, No 89 of 1991

Iemas endeavours to maintain strong relationships with regulators and continued compliance with regulatory requirements. In recent years, Iemas has experienced and welcomed a move from regulators towards principle-based rather than traditional rules-based regulation.

While these fundamental changes can be perceived as a risk for the Co-operative as well as a direct increase in the cost of compliance, Iemas is always looking for opportunities within the regulatory universe to improve its business.

Iemas expects the subject of debt relief for over-indebted consumers to gain further momentum. The Co-operative remains committed to applying existing debt relief measures to assist its members based on their unique circumstances.

The Co-operatives Amendment Act, No 6 of 2013, came into effect 1 April 2019; which amended the Co-operative Act, No 14 of 2005. Iemas views the proposed impact of the Amendment Act, including the Principles of Good Governance for Co-operatives, as positive and in support of its business model.

In alignment with the Amendment Act, Iemas re-drafted its Constitution which is up for adoption at its AGM on 31 October 2019.