

GUIDANCE NOTE GN500 - MEASUREMENT OF THE CONSUMER EDUCATION ELEMENT OF BROAD- BASED BLACK ECONOMIC EMPOWERMENT

TEMPORARY AMENDMENTS IN RESPECT OF THE COVID-19 PANDEMIC AND RESPECTIVE GOVERNMENT REGULATIONS

1. Introduction

- 1.1. The impact of the COVID-19 pandemic in South Africa necessitated a response by Government that has had significant and widespread effects and implications not only for business but also for the public in general. Measures around social distancing and prohibition of gatherings of more than 50 people aimed at protecting the public from, and minimising exposure to the COVID-19 virus, have an impact on the implementation of the Financial Sector Codes (FSC).
- 1.2. The purpose of this document is to detail temporary amendments to the standards required for Consumer Education programmes, to allow for measured entities to comply with Government regulations and directives and still meet the requirements under the FSC for recognition. These amendments must be read together with GN500.

2. Amendments

2.1 Appropriateness

Reference is made to paragraph 2.2 of GN500 on the content of the training programmes;

- 2.1.1 Given financial challenges faced by consumers and businesses due to the COVID-19 pandemic, content should include information about special or temporary economic and financial dispensations meant to support businesses and consumers.

2.2 Split between the two types of initiatives

Reference is made to paragraph 2.3.4 of GN500 on the split between awareness and interactive initiatives;

- 2.2.1 Given social distancing regulations and the prohibition of gatherings of more than 50 people aimed at protecting the public from and minimising exposure to the COVID-19 virus, interactive initiatives are temporarily collapsed. Therefore, up to 100% of Consumer Education funds may now be used for awareness initiatives or projects.

2.3 **Target market**

Reference is made to paragraph 2.4 of GN500 on the target market;

- 2.3.1. The cap for the target market of LSM1-8 for individuals with an income proxy of <R250k p/a is temporarily collapsed and consumer education initiatives should be inclusive of all.
- 2.3.2 For small businesses, the qualifying criteria will be EMEs as defined by the FSC.

2.4 **Duration of these amendments**

- 2.4.1 These amendments will apply for budgets spent during a six months period starting 1 June 2020 ending 30 November 2020.
- 2.4.2 The Financial Sector Transformation Council may, after a review, extend the application of these amendments.