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Community Reinvestment Bill to Await Outcomes of BEE Discussion

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Cabinet will wait for the outcomes of discussions on the Black Economic Empowerment Charter for the Financial Sector before enacting the Community Reinvestment (Housing) Bill.

In a statement released yesterday, Cabinet said it had been briefed on the Bill, which seeks to set targets that ought to be met by financial institutions to indicate whether companies were complying with set obligations for community reinvestment or not.

In May this year, housing Minister Brigitte Mabandla told Parliament that the community Reinvestment Bill would be passed into law before the end of this year.

'While accepting the broad principles contained in the Bill, Cabinet agreed that the process of finalising such legislation should await the outcome of discussions on the BEE Charter for the Financial Sector,' Cabinet said.

The BEE Charter for the Financial Sector is premised on the recommendations of the BEE Commission, which was led by former politician and business leader Cyril Ramaphosa in 1998.

Furthermore, it (the Commission) proposed that the banking sector and government should agree on targets with respect to accessibility of financial services (Community Reinvestment) to ensure an increase in advances to black entrepreneurs, SMMEs, and black households in rural and urban areas

The Bill makes provision for financial institutions to be rated on their performance. The targets will be set after consultation with relevant stakeholders, including financial institutions.

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