



DATED: 18 March 2019

TO ALL PARTICIPANTS IN THE MOTOR INDUSTRY

NOTICE OF THE NEW CREDIT CONTROL PROCESS

MIBCO would like to make the industry aware of the changes in the credit control processes.

The Governing Board has approved the implementation of the new credit control processes. Following is a summary of the some of the processes in place and the change to be effected from 01 April 2019:

- **Submission of Returns and payment thereof:** The process places a lot of emphasis on the importance of submission of Returns and payment thereof. As per clause 13 (4) of the Administrative Collective Agreement, read with Clause 7 (2) of the same agreement, Returns must be submitted and paid by the 10th of every month.
- **Increased communication through letters, and emails to the industry:** The Council will engage the industry by sending letters throughout the collection process.
- **Introduction of listing of defaulting employers with a Credit Bureau:** As per clause 22 read with clause 7 (3) of the Administrative Collective Agreement and clause 6 (8) of the Auto Workers and Motor Industry Pension Fund Agreements respectively, non-payment and/or late payments of Returns will attract penalty interest. The Council will further list the payment behaviour of employers with the credit bureau. The listing with the credit bureau was introduced as a result of the escalating debtor's book. Non-payment of contributions has negative implications on the employees and will also affect the employers rating on the certificate of good standing.

The MIBCO Team

---o0o--

Good to Great Together