

NOTICE 111 OF 2006
DEPARTMENT OF TRADE AND INDUSTRY
CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT, 1988

I, Mandisi Mpahlwa, Minister of Trade and Industry, in terms of section **12(6)** of the Consumer Affairs (Unfair Business Practices) Act, **1988** (Act No. **71 of 1988**), hereby give notice that I intend publishing the following notice in the Government Gazette. Interested parties are hereby invited to comment on the proposed notice. These comments must be directed to the address provided at the end of the proposed notice within 30 (thirty) days from date of publication.

**NOTICE IN TERMS OF SECTION 12 (6) (a) (iii) OF THE CONSUMER
AFFAIRS (UNFAIR BUSINESS-PRACTICES) ACT, 1988**

I, Mandisi Mpahlwa, Minister of Trade and Industry, by virtue of ~~the~~ powers vested in me by section **12(6)** of the Consumer Affairs (Unfair Business Practices) Act, **1988** (Act No. **71 of 1988**), and after having considered a report by the Consumer Affairs Committee ~~in~~ relation to an investigation of which notice was given in Notice **574 of 2005** as published in Government Gazette No. **27473**, dated **08** April 2005, which report ~~was~~ published in Notice 107 in Government Gazette No. **28419** of **25** January **2006**, and being of the opinion that an unfair business practice exists which is not justified in the public interest, do hereby promulgate the notice in the Schedule

SCHEDULE

In this notice, unless the context indicates otherwise –

1. “The parties” means the attorneys and other collecting agents.
2. “Unfair business practice” means the business practice whereby parties, directly or indirectly

(a) ~~send letters~~ of demand for ~~the~~ purposes of collecting claims of whatever nature and which have the appearance of legal documents.

(b) parties utilizing communication:

- (I) which simulates a legal or judicial process or
- (II) which is designed to create the impression that it is a legal or judicial process
- (III) ~~which~~ is designed to create the impression that there is the intention to institute legal proceedings, whether civil or criminal, if there is no intention to ~~carry out such~~ a threat

It is not **however** an unfair business practice for parties to send a letter of demand which spells out the steps that will be followed, should a debtor fail to pay outstanding debts.

3. Parties are hereby directed to refrain from applying the unfair business practice as described above;

4. This notice shall ~~come~~ into operation upon the date of the publication hereof;

Consumer Affairs Committee

Private **Bag X84**

Pretoria

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(For attention: Mr L Rabotapi, fax: 012 394 - 2555; e-mail lucky@thedti.gov.za)