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December 18, 2006

Dear Mr. Frank:

I am writing to the Competition Commission to express my concern over the exorbitant fees currently being charged by banks in South Africa. As the director of both a large and small non-profit organization, I am concerned that the fees I must pay to maintain my bank account will ultimately render our work unsustainable.

Let me provide some examples to illustrate my point. For the Treatment Action Campaign's 2006 fiscal year, the organization paid nearly R83,000 in bank charges; this is nearly R10,000 more than we pay in audit fees. A more potent illustration, however, comes from my small non-profit organization. This organization currently takes in about R8000 of income per month. Using a Standard Bank business banking current account—even if I accumulate my cash and make only one branch deposit per month—the monthly fees I must pay break down as follow:

- Minimum monthly service fee: R55,00
- Fees for cash deposits: R3,60 + 0,80% of R8000 = R75,60
- Fees for 4 ATM withdrawals of R1000 each: $4 \times R3,60 = R14,40 + 0,90\% \times R4000 = R36 = R40,40$ total
- Grand total: R171,00

Please note that this represents a minimum; in an average month, there could easily be additional transactions that will incur additional fees. Even with this minimum, however, over 2,1% of my small non-profit organization's monthly income is paid to the bank, which, considering the low income to begin with, represents a considerable hardship.

I thus ask the Competition Commission, in its Banking Enquiry, to compel South African banks to reduce the fees that they charge to customers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zackie Achmat', written in a cursive style.

Zackie Achmat
Treatment Action Campaign / Idol Pictures / AIDS Law Project