

Getting Credit- Private Credit Bureau Survey– Economy - www.doingbusiness.org

Dear Contributor,

We would like to thank you for your cooperation with the *Doing Business* project. As an expert on the field of credit reporting systems, you have been selected as contributor to the Getting Credit-Credit Information Index.

The Getting Credit-Credit Information Index is one of the 11 indicators of the *Doing business* report. It measures the rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit bureaus are essential elements of the financial infrastructure that facilitate access to finance. They allow lenders to make faster and more accurate credit decisions, thereby increasing their credit lending volumes and lowering the cost of obtaining credit.

In 2009/10, 13 economies reformed their credit information systems. Uganda, for instance, established its first private credit bureau covering more than 200,000 individuals. It also introduced a new biometric system allowing each new loan applicant to be identified and issued a financial identity card.

The positive feedback from governments around the world who are using the *Doing Business* reports as an input for policy debate about regulatory reforms is only possible thanks to the generous contribution of over 8,000 experts like you, in 183 economies. Currently, *Doing Business* has informed over 300 reforms around the world since 2004. The last edition of the report, *Doing Business 2011: Making a Difference for Entrepreneurs* was launched on November 4, 2010. The 2011 report received a record number of 2,744 media citations within one month of publication, including coverage from all major global, regional and local media outlets including TV, print, broadcast and web.

For *Doing Business 2012*, we are honored to be able to count on your expertise:

- Please review and update last year's information on the private credit bureau.
- Please describe in detail if there have been any new administrative or legal reforms since June 2010.
- Please answer the research section regarding the legal framework and accessibility of information on credit bureaus.

We would appreciate if you could return the completed survey by February 16, 2011 to jnasr@worldbank.org. Please make sure to complete your name and address, so we can mail you a complimentary copy of the report.

We thank you again for your invaluable contribution to the World Bank's work.



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Primary Contributor Information

All information will be published. Please **check** the information you **do not** want us to **publish**. We do not publish mobile phone numbers.

| Do not publish | Name | |
|--------------------------|---|-----|
| | Title (Mr., Ms., Mrs., etc.) | [] |
| <input type="checkbox"/> | First Name | [] |
| | Last Name | [] |
| <i>Not published</i> | Position (e.g. manager, associate, partner) | [] |
| <i>Not published</i> | Profession | [] |

| Do not publish | Contact details | |
|---|---------------------|-----|
| <input type="checkbox"/> | Firm name | [] |
| <input type="checkbox"/> | E-Mail address | [] |
| <input type="checkbox"/> | Phone | [] |
| <input type="checkbox"/> | Fax | [] |
| <input type="checkbox"/> | Website | [] |
| <i>Not Published</i> | Mobile phone | [] |
| <input type="checkbox"/> Do not publish | Firm Address | |

| | | | |
|-----------------|-----|----------------|-----|
| Street | [] | P.O. Box | [] |
| City | [] | State/Province | [] |
| Zip/Postal code | [] | Country | [] |

Additional Contributors' Information

| Name | Occupation | Email | Phone | Address, if different than above |
|--|--------------------------------------|-------|---------------------|--|
| [title] [first name] [last name] | [firm] [position] [profession] | [] | [phone] [mobile] | [street] [state/province] [city/country] |
| [title] [first name] [last name] | [firm] [position] [profession] | [] | [phone] [mobile] | [street] [state/province] [city/country] |
| [title] [first name] [last name] | [firm] [position] [profession] | [] | [phone] [mobile] | [street] [state/province] [city/country] |

Reform update

1. Have there been any reforms (in practice or in the laws and regulations) that have affected your credit bureau **since June 1, 2010**? Please describe.

If there has been a legal reform, please indicate the name and date of the law. If possible, please provide a copy of the law or a link to the text of the law

Yes No

Please describe this reform:

Please indicate the name and date of the law:

2. Are you aware of any reforms (in practice or in the laws and regulations) that would affect your credit bureau and that is **expected to be adopted prior to June 1, 2011**?

If yes, please describe.

Yes or No

Please describe:

3. Are you aware of any reforms (in practice or in the laws and regulations) that would affect your credit bureau and that is **ongoing and is expected to be adopted after June 1, 2011**?

If yes, please describe.

Yes or No

Please describe:

4. Last year, you mentioned the following reform was planned :

Please comment on whether the above mentioned reform(s) happened and if not, if they are still expected to happen.

5. Please list the name of any new laws that are currently under development and their expected date of enactment.

6. What new areas are you considering expanding to in the future (new services offered by the bureau, expanding the base of service providers, etc.)?

Data update

For your convenience, last year's answers are included in this survey. Please update the data, and describe in detail any change to last year's data and indicate since when the change took effect. If there is no change to last year's data, there is no need to provide an answer for this year's. We ask you to specify if the data were erroneous ("correction"), or if the change resulted from a modification in practice or by law which occurred after June 1, 2010 ("reform").

| | Last year | This year |
|---|--------------------|---|
| 1.1 Date of establishment. | | |
| Legal establishment (when the bureau was legally registered) | | |
| Actual start of operations (when the bureau started issuing reports) | | |
| Does the credit bureau have a website that is accessible to financial institutions and borrowers? | | <input type="checkbox"/> Yes or <input type="checkbox"/> No |
| If yes, please provide the link. | | |
| 1.2 Number of individuals and firms listed in the bureau's database as of January 1, 2011 with at least 1 credit reference in the last 5 years on repayment history, unpaid debts, or credit outstanding (even if they currently have no outstanding loans, defaults, etc.). | | |
| Please list the number of firms and individuals and NOT the quantity of credit references . <i>Example:</i> an individual who has 4 loans would be counted as 1 individual, even if there are 4 credit references listed for that individual in the database. | | |
| | Last year's answer | This year's answer |
| Number of individuals | | |
| Number of firms | | |
| Total | | |
| 1.3 Number of credit reports issued by the bureau in the period January 1st 2010 to December 31st 2010 | | |
| On individuals | | |
| On firms | | |
| Total | | |
| Comments (data not available, access unlimited, etc): | | |
| 1.4 Please provide the total value of loans with outstanding balances that are up to date with their payments as of January 1, 2011. | | |
| Amount for individuals | | |
| Amount for firms | | |
| Total amount | | |
| Currency: | | |
| 1.5 Please list the total value of credit listed in the bureau as of January 1, 2011. | | |
| Total amount | | |
| Currency: | | |
| 1.6 Please list number of <u>microfinance borrowers</u> - individuals and firms - listed in the bureau's database as of January 1, 2011 with at least 1 credit reference in the last 5 years on repayment history, unpaid debts, or credit outstanding (even if they currently have no outstanding loans, defaults, etc.). | | |
| | Last year's answer | This year's answer |
| Number of microfinance borrowers - <u>individuals</u> | | |

| | |
|---|--|
| Number of microfinance borrowers - <u>firms</u> | |
| Please provide the total value of loans for <u>microfinance borrowers</u> with outstanding balances that are up to date with their payments as of January 1, 2011: | |
| 1.7 Please provide number of new loans (new loans to new borrowers with no previous credit or new credit facilities to existing borrowers) extended in the period January 1 st 2010 to December 31 st 2010: | |
| By individuals : | |
| By firms: | |
| By microfinance-borrowers: | |
| 1.8 Please describe the structure and the % share of ownership of the bureau (banks, international credit reporting agency, government , etc.). | |

Data on individuals

| | | | | |
|--|---|---|---|---|
| 2. What type of data is collected and distributed by your credit bureau on lending to <u>individuals</u> ? | | | | |
| a. If data on individuals or their loans is neither collected nor distributed, please go to question 3. | Last year's answer | | This year's answer | |
| | | | | |
| If data exists, does it include the following? | Collected <i>Last year's answer</i> | Distributed <i>Last year's answer</i> | Collected <i>This year's answer</i> | Distributed <i>This year's answer</i> |
| b. Data on individuals | | | | |
| Name of borrower | | | | |
| Address | | | | |
| Taxpayer identification number | | | | |
| National identification number | | | | |
| Borrower's ownership of a business | | | | |
| Tax statements | | | | |
| Income and other personal financial information | | | | |
| Utility payment records | | | | |
| Presence on bad check list | | | | |
| Bankruptcies | | | | |
| Court judgments | | | | |
| Credit enquiries from other lenders | | | | |
| Gender | | | | |
| Biometric data | | | | |
| c. Data on loans of individuals | | | | |
| Name of reporting institution | | | | |
| Type of loan | | | | |
| Interest rate of loan | | | | |
| Maturity of loan | | | | |

| | | | | |
|---|---|---|---|---|
| Type of collateral securing the loan | | | | |
| Value of collateral securing the loan | | | | |
| Guarantees securing the loan | | | | |
| Original amount of the loan: always | | | | |
| Original amount of the loan: only after a default/late payment | | | | |
| Outstanding amount of the loan: always | | | | |
| Outstanding amount of the loan: only after a default/late payment | | | | |
| Amount of periodic repayment obligations (installments) | | | | |
| Is the Information disaggregated by credit reference? | | | | |
| If yes, please specify the criteria (customer, bank, type of loan, etc): | | | | |
| d. Data on loan payments of individuals | Collected <i>Last year's answer</i> | Distributed <i>Last year's answer</i> | Collected <i>This year's answer</i> | Distributed <i>This year's answer</i> |
| On-time payments | | | | |
| Defaults/cancelled debts | | | | |
| Number of defaults/cancelled debts | | | | |
| Arrears/late payments | | | | |
| Number of arrears/missed payments | | | | |
| Number of days a loan is past due | | | | |
| Please provide the most common time used to list a credit as default (cancel a debt). | Shortest <i>Last year's data</i> | Longest <i>Last year's data</i> | Shortest <i>This year's data</i> | Longest <i>This year's data</i> |
| | days | days | days | days |
| Please provide the most common time used to define late payments (if many, please specify the most commonly used by banks). | Shortest <i>Last year's data</i> | Longest <i>Last year's data</i> | Shortest <i>This year's data</i> | Longest <i>This year's data</i> |
| | days | days | days | days |

Data on firms

| | | | | |
|--|---|---|---|---|
| 3. What type of data is collected and distributed by your credit bureau on lending to <u>firms</u> ? | | | | |
| a. If data on firms or their loans is neither collected nor distributed please go to question 4. | Last year's answer | | This year's answer | |
| | | | | |
| If data exists, does it include the following? | Collected <i>Last year's answer</i> | Distributed <i>Last year's answer</i> | Collected <i>This year's answer</i> | Distributed <i>This year's answer</i> |
| b. Data on firms | | | | |
| Name of firm | | | | |

| | | | | |
|---|---|---|---|---|
| Address of firm | | | | |
| Taxpayer identification number | | | | |
| Business registration number | | | | |
| Name of owner(s) of the firm | | | | |
| Field of business activity | | | | |
| Assets and liabilities | | | | |
| Tax and income statement of the firm | | | | |
| Income and other personal financial information on the owner(s) | | | | |
| Utility payment records | | | | |
| Presence on bad check list | | | | |
| Bankruptcies | | | | |
| Court judgments | | | | |
| Credit enquiries from other lenders | | | | |
| c. Data on loans of firms | | | | |
| Name of reporting institution | | | | |
| Type of loan | | | | |
| Interest rate of loan | | | | |
| Maturity of loan | | | | |
| Type of collateral securing the loan | | | | |
| Value of collateral securing the loan | | | | |
| Guarantees securing the loan | | | | |
| Original amount of the loan: always | | | | |
| Original amount of the loan: Only after a default/late payment | | | | |
| Outstanding amount of the loan: always | | | | |
| Outstanding amount of the loan: Only after a default/late payment? | | | | |
| Amount of periodic repayment obligations (installments) | | | | |
| Is the Information disaggregated by credit reference? | | | | |
| If yes, please specify the criteria (customer, bank, type of loan, etc.): | | | | |
| d. Data on payments of firms | Collected Last year's answer | Distributed Last year's answer | Collected This year's answer | Distributed This year's answer |
| On-time payments | | | | |
| Defaults/cancelled debts | | | | |
| Number of defaults/cancelled debts | | | | |
| Arrears/late payments | | | | |
| Number of arrears | | | | |
| Number of days a loan is past due | | | | |

| | | | | |
|---|--|---|--|---|
| Please provide the most common time used to list a credit as default (cancel a debt) | Shortest <i>Last year's answer</i> | Longest <i>Last year's answer</i> | Shortest <i>This year's answer</i> | Longest <i>This year's answer</i> |
| | days | days | days | days |
| Please provide the most common time used to define late payments (if many, please specify at least the one used by banks) | Shortest <i>Last year's answer</i> | Longest <i>Last year's answer</i> | Shortest <i>This year's answer</i> | Longest <i>This year's answer</i> |
| | days | days | days | days |

Data on institutions providing/retrieving information

4. Which of the following institutions in your country provide and/or retrieve information to/from the private credit bureau? Please list the number of members of each category (for example, if private commercial banks provide information, please provide the number of private commercial banks that participate).

| | Provide information <i>Last year's answer</i> | Retrieve information <i>Last year's answer</i> | Provide information <i>This year's answer</i> | Retrieve information <i>This year's answer</i> |
|--|---|--|---|--|
| Private commercial banks | | | | |
| Public commercial banks | | | | |
| Public development banks | | | | |
| Credit unions/cooperatives | | | | |
| Finance corporations/leasing | | | | |
| Credit card issuers | | | | |
| Trade creditors (firms providing commercial credit to corporate clients, sometimes called supplier credit) | | | | |
| Retailers and merchants (like Wal-Mart, Carrefour, etc.) | | | | |
| Please list the type of retailers providing information (department stores, furniture stores, wholesalers, etc.) | | | | |
| Utilities providers | | | | |
| Please list the type of utilities providing information (telephone, electricity, water, gas, etc.) | | | | |
| Other credit registries/bureaus (including publicly or privately owned registries) | | | | |
| Microfinance institutions (MFI). Please specify if only regulated MFIs, non-regulated or both provide/retrieve information. | | | | |
| Please specify the criteria, if any, used in your country to define microfinance loans (like loans used for production and not consumption, size of loan, group lending) | | | | |
| Employers (for job verifications or other) | | | | |

| | | | | |
|------------------------|--|--|--|--|
| Courts | | | | |
| Statistical agencies | | | | |
| Other? Please explain. | | | | |

Minimum Loan Size

| 5. What is the minimum loan size for inclusion in the database, if any? | Last year's answer | This year's answer |
|---|--------------------|--------------------|
| | | Amount Currency |
| Additional comments: | | |

Type of Data Distributed

| 6.1 Type of data distributed | Positive <i>Last year's answer</i> | Negative <i>Last year's answer</i> | Positive <i>This year's answer</i> | Negative <i>This year's answer</i> |
|--|--|--|--|--|
| <ul style="list-style-type: none"> - Positive data includes loan amount, or data indicating that a borrower has made on-time repayments. - Negative data includes late payments, non-payments, delinquencies and defaults. | | | | |
| Data from financial institutions | | | | |
| Data from utility companies (like telephone, electricity, etc.) | | | | |
| Data from retailers | | | | |
| Data from microfinance institutions | | | | |
| Additional comments: | | | | |
| 6.2 For how long is historical data preserved/made available for distribution? Please indicate if there are different rules on distribution for different types of information. | | | | |
| | Last year's answer | | This year's answer | |
| Preserved | | | | |
| Available for distribution | | | | |
| 6.3 Did you receive historical credit information from data providers when you started operating? | | | | |
| | | | | |
| 6.4 If you collect information on defaults/cancelled debts and arrears/ late payments, after how long are they erased from the database (immediately, never, or after X number of years)? Please indicate if there are different rules on deletion for different types of information. | | | | |
| | If repaid <i>Last year's answer</i> | If never repaid <i>Last year's answer</i> | If repaid <i>This year's answer</i> | If never repaid <i>This year's answer</i> |
| Defaults/cancelled debts | | | | |
| Arrears/late payments | | | | |
| Additional Comments: | | | | |

| | Last year's answer | This year's answer |
|---|--------------------|--------------------|
| 7. Can borrowers inspect their data? | | |
| If guaranteed by law, please list the article and the name of the law. | | |
| 8. How is the data distributed to financial institutions? (Mark all that apply) | | |
| Via internet | | |
| Via modems or dedicated phone lines | | |
| Via computer disks, CDs or other data storage devices | | |
| Via telephone consultations | | |
| Via facsimile | | |
| Via mobiles | | |
| In person | | |
| Via written paper documents | | |
| Additional comments: | | |
| 9. Additional services offered by the bureau: | | |
| Financial literacy (education programs on the basic characteristics and functions of credit bureaus). | | |
| Fraud detection | | |
| Debt collection | | |
| Marketing services | | |
| Credit score based on the bureau's data and available to all members | | |
| When did you start providing credit scoring? | Month year | month year |
| Did you change your credit scoring method as a result of the financial crisis? | | |
| Other, please describe: | | |

Research

The following questions are part of the research *Doing Business* conducts every year. The answers to the research questions will not be included in the *Doing Business* rankings.

| 1. Please confirm the laws and regulations affecting the operation of your bureau? | | |
|--|--------------------|--------------------------------------|
| | Last year's answer | This year's answer |
| Special credit bureau law | | |
| Central bank law/regulation | | |
| Banking law | | |
| Data Protection/privacy law | | |
| Code of conduct | | |
| Consumer Protection law | | |
| Please list the missing names of laws, if applicable: | | |
| 2. Do the banking secrecy laws (or provisions) <u>prohibit</u> financial institutions to share credit information with: | | |
| | Last year's answer | This year's answer |
| a) private credit bureaus? | | |
| b) private firms outside the banking sector when the borrower does <u>not</u> authorize it? | | |
| c) private firms outside the banking sector when the borrower authorizes it? | | |
| 3.1 Is the type of information included in a credit report clearly disclosed on the bureau's website or in a brochure? Please specify | | |
| 3.2 Is the process for calculating a credit score clearly disclosed on the bureau's website or in a brochure? Please specify. | | |
| 3.3 Are the consequences of late payments/default on a credit report clearly disclosed on the bureau's website or in a brochure? Please specify. | | |
| 3.4 Is the process for disputing incorrect data clearly disclosed on the bureau's website or in a brochure? Please specify. | | |
| 3.5 Does the law require the credit bureau to disclose such information? If yes, please specify which law and indicate the article. | | Please indicate the law and article: |
| 3.6 Does the law require data providers to obtain the consent of the borrower for providing credit data to the bureau? | | |

| | | |
|--|--|----------------------|
| 3.7 Does the law require data users to obtain the consent of the borrower for accessing a credit report? | | |
| 3.8 If so, what type of consent is required (consent before every interaction or a single consent for all future processing of data)? | | Additional comments: |
| 3.9 Is it guaranteed by law or regulation that the borrower can access the list of parties that have requested the borrower's information? | | |
| 3.10 If guaranteed by law, please list the name of the law and specify the article. | | |

| | | |
|--|--|--|
| 4.1 Are banks and financial institutions required by law or regulation to provide credit data to the <u>private</u> credit bureau? | | |
| 4.2 Is it required by law or regulation that <u>financial</u> institutions (like banks) consult the private credit bureau before extending a loan? | | |
| 4.3 Is it required by law or regulation that <u>non-financial</u> institutions consult the private credit bureau before extending a loan? | | |

| | | |
|---|--|-----------------|
| 5.1 What is the cost for borrowers to inspect their data? | | |
| 5.2 Is there a free credit report available for borrowers in regular intervals (e.g. one free report annually)? | | |
| 5.3 Does the bureau have an internal complaint department? | | |
| 5.4 If a borrower did not agree with the data, what is the current procedure for solving data disputes (e.g. oral or written)? Please describe. | | |
| 5.5 Does the law specify a process for resolving disputes? If yes, please indicate which law and specify the article. | | Law and Article |
| 5.6 Does the law set a time limit for the bureau to respond to a borrower's complaint? | | |
| 5.7 Who is liable for errors in data distributed by the credit bureau? (Examples: credit bureau, data provider, regulator) | | |

| | | |
|---|--|--|
| 5.8 What measures can be taken against those providing/distributing incorrect data? | | |
| 5.9 Who is responsible for <u>correcting</u> erroneous data? | | |
| 5.10 Is the bureau required to regularly report its complaints and resolution data to regulators? If yes, please specify how often? | | |
| 6.1 Is the private credit bureau subject to supervision by a government institution/regulatory agency? | | |
| If yes, please specify the full name of the supervisory agency (Central Bank, Superintendence, Data Protection Agency, etc.). Specify all that apply. | | |
| 6.2 Please list any other credit bureaus or registries operating in your country | | |

Thank you for completing the survey.

We appreciate your contribution to the *Doing Business* project.
 The results will appear in *Doing Business 2012* and on our website:
<http://www.doingbusiness.org>.
 Your work will be gratefully acknowledged in both.