

A key
business
enabling
initiative



BUSINESS | CREDIT & RISK
INFORMATION

Business Credit and Risk Information Sharing Initiative

The sharing of business payment behaviour unlocks many opportunities: It enables providers of credit to inform and support quality decisions on previously untapped markets and allows access to formal finance for businesses.

BusCRI Benefits!

Access to finance had been singled out as one of the major challenges impeding the survival and growth of businesses in South Africa. Although funds are often available, it remains especially difficult for start-up entities to successfully access finance.

This challenge often results from a lack of quality information about the business entities which the appraising credit providers would need to assess affordability and creditworthiness.

The SACRRA, leveraging off our current data sharing infrastructure and using existing associations and industry bodies as the drivers of business data collection and dissemination, is bringing the potential of expanded market opportunities to our members.

Lessons learnt from past and current data sharing initiatives are expediting the rapid implementation of a data sharing environment about businesses – small and large.



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*Closing the
information gap
between businesses
and lenders*



Our 30 years of experience in consumer credit and risk data sharing, positions us well in assisting our members to contribute data and optimise the use of this data, within credit and risk decision cycles.

The 2008 PERC study on “Information Sharing and SMME Financing in South Africa” states that well-developed credit information sharing initiatives and increased credit reporting can greatly increase access to credit in the formal and informal business sectors. Encouraging information sharing has been shown to be a low cost intervention, that serves to enhance financial competition, while rendering credit markets more efficient. Extending the scope of information sharing has been shown to expand lending to the pool of potential applicants by more than 5 percent.



Data shared and accessed based on the principle of reciprocity ...

The benefits are/include:

- By being part of the BusCRI initiative, Members will gain access over time to comprehensive credit profiles of businesses.
- The principle of reciprocity will drive the sharing of data and ensure that collectively all participants will enjoy the benefits of the greater data pool on an equal opportunity basis.
- This data is vital for use in effective credit and risk management models, facilitating profitable business strategies.
- The information will ensure valid inputs for decision-support systems, across the full risk span – customer acquisition, relationship management and collection strategies.
- Contributing and receiving additional business credit and risk information can ensure company strategies are properly informed and effectively executed.
- Optimising opportunities within existing markets which enables for targeted expansion.
- Allow for the mitigation of credit and financial risks.
- Enabling and accelerating credit and risk assessments and decision making.
- Enhancing company revenue growth opportunities.
- Access to comprehensive, consistent, validated data will close the information and knowledge gaps between lenders and potential target customers.
- Tailored pricing strategies.
- Driving financial inclusion by broadening access to credit, financial services and investments.
- With multiple credit bureaus hosting this data, potential users have a selection of appropriate service and data offerings.

The principle of reciprocity will drive the sharing of data whereby all participants enjoy the benefits on an equal opportunity basis.

In 2011, the National Treasury, various stakeholders, including the Department of Trade, Industry and Competition (dtic), agreed that it would be desirable to establish an initiative to drive business credit information sharing, to specifically assist smaller businesses to access credit facilities and financial services.

From this the SACRRA Business Credit and Risk Information (BusCRI) sharing initiative was born.

This project beneficially supports the various Government initiatives intended to foster small business growth in South Africa. The increase of general business credit information will enable easier access for smaller enterprises to financial services and comprehensive credit histories will, in turn, support the extension of credit and risk.

Initially, the project was impacted by the lack of funding, and in 2014 the SACRRA Office secured funding from FinMark Trust, together with funds from keen SACRRA members, who saw the benefit of the initiative and were willing to contribute seed funding.



Closing the information gap – the path to wealth creation for most South Africans, especially as private small business owners, relates directly to credit access.

The overall intent of the BusCRI initiative was to cater for all commercial entities but will initially focus on organisations with a maximum annual turnover of R40 million.



Target industries include agriculture, banking, telecommunications, commercial property management, Fast Moving Consumer Goods market, the construction and technology industries. The initial engagement with members from the SACRRA Office will focus on the agriculture sector in support of the NCA Regulation 19 (13) requirements. Thereafter, the focus will shift to the banking sector. The National Credit Regulator has endorsed the BusCRI Data Specification for the agricultural sector and sole proprietor data specifically under Regulation 19 (13).



Should there be interest expressed from other sectors, the Office will happily engage to on-board keen data contributors.

The Data Submission Specifications for additional sectors will be developed, based on demand.

Various policies and Standard Operating Procedures have been defined and will be further enhanced as we progress.

The SACRRA Office will guide data contributors on the requisite processes and transmission requirements.

Load and quality monitoring reports will assist members in complying with the relevant quality and performance standards.

The collective benefit being the creation and maintenance of a quality data pool for business credit and risk management purposes.

The SACRRA Office is planning the development of tools to minimise costs related to data submission and quality management, also for optimal resource utilisation within members' and the SACRRA Offices.

Only once the data contributors' system developments have been tested and signed off by the SACRRA Office, will live data exchange commence to the benefit of all.

*World class: a shared database
of business credit and risk
payment performance*

The following onboarding process to be followed:



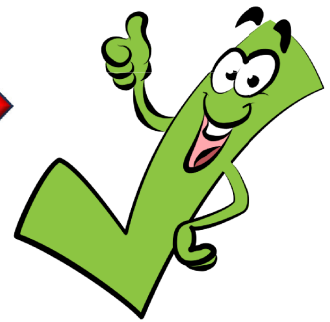
Data Contributors will need to develop a monthly and/or daily extract of customer data in accordance with the SACRRA Data Submission Specification



Complete a data extract and submission testing process with the credit bureaus and SACRRA until signed-off by the SACRRA Office



Once the data submission extract development was signed off, data is submitted to the credit bureaus' live databases



Grab a vital opportunity to expand your client base, grow your business and ultimately stimulate economic growth!

To be part of this exciting initiative please contact us on info@sacrra.org.za and you can rest assured that:

- We will guide you through the on-boarding process by matching your products and services to the relevant data submission format/s.
- We will help you comprehend the nature of all the data shared so that you can gain the full benefit of the shared information in your decision processes and integrate the data effectively in your risk assessment models and tools.
- We will assist you to gear up for the submission process.
- Your data will be securely transmitted to the databases within the participating credit bureaus.
- We will assist you to effectively use the reports generated about your data submissions.
- We will facilitate any necessary liaison and anomaly resolution by performing the engagement between yourselves and the credit bureaus to resolve issues.
- Our Association's track record of 30 years speaks to our ability to keep confidential the nature of your products and any market strategies, together with the confidentiality of your data issues as they may arise.





SACRRA | CREDIT & RISK
REPORTING ASSOCIATION

About SACRRA

We are a not-for-profit voluntary industry association mainly comprised of credit and risk organisations who share data about the payment performance of their customers. With our years of experience, the SACRRA supports data contributors in having control of their data submissions. This enables members' compliance with legislation and leverage of opportunities within the business environment.

The SACRRA plays an important role in driving the focus on comprehensive real-time credit and risk profiles and of the overall data quality therein. Our members include companies registered under the National Credit Regulator as well as voluntary contributors of credit and risk data. Over 55 million lines of consumer data are reported monthly to the hosting bureaus. Our initial focus was on consumer data but the SACRRA members agreed to include business information within the scope of the SACRRA operations and responsibilities in 2013.

Join the founding BusCRI members on this journey to establish a world-class database of business payment data that will benefit the providers of credit, services and risk products and increase opportunities for businesses to access finance.

**Call the SACRRA Offices now on
087 701 3254 or info@sacra.org.za**

*A new data source to create robust and
bespoke business credit models and
decision support systems*

