



SACRRA | CREDIT & RISK  
REPORTING ASSOCIATION

# 2020

ANNUAL REVIEW

*Seeds of change...*

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Publication date of Annual Report – April 2021

“Your success in life isn’t based on your ability to simply change. It is based on your ability to change faster than your competition, customers and business.”

MARK SANBORN



# CHAIR REPORT



At the outset let me thank you, the members, for your confidence in electing us, the new Governing Body members. We will do our best to lead the Association in this new era, as envisaged in the reconstitution from the old Manco to the new governing framework.

Dear SACRRA Members,

Since the October 2020 election, the new Governing Body has been gaining appropriate insight about the challenges and opportunities facing our Association. We are awed by what has been achieved by our predecessors over the Association's history, humbled by the events of the past year and excited about the future we have been entrusted to shape.

Our sincere thanks to the Management Committee (Manco) members of 2019/2020 for their sterling efforts in guiding our Association through this tough COVID-19 year; for continuing to serve beyond their original term of office and importantly also for the courage in crafting the new Governance structure in anticipation of the acceleration of challenges arising from the emerging data and technology driven economy in which we will operate. Special thanks to Leila Cassim, Jaco Rossouw and Eugene Ehlers, who as the Executive Committee (Exco) team, led the way.

The 2020 year was especially challenging for our country, for the survival and sustainability of our members and the well-being of their staff and families and also for the people in our Office who were faced with both operational and personal challenges which needed to be navigated. It was a tough year, one which we will all remember and whose effects will be with us for a while yet. I would like to take this opportunity, on behalf of our SACRRA to remember Guy Harradine, a steadfast member of our SACRRA Manco for 4 years who passed away suddenly during the year. Guy was always a valued contributor to our Association.

Collectively we thank our members, who with the support of the Office leadership and staff maintained the standard of shared credit and risk data available in South Africa, to support economic activity and national recovery and also for the effort in progressing our various projects and initiatives during this difficult time.

Nobody was left unscathed by the COVID-19 pandemic.



## There was resourcefulness all round

All our members experienced disruption. Whether it was disruption to the way we worked, the place we worked or the technology we worked with, we were challenged. These developments impacted the submission of data as well as the quality thereof. Our Data Contributing members and Office staff kept to the task at hand and applied themselves fully to addressing their data submission obligations with over 80 000 consumer files being submitted and processed for loading by our Associate Members. Many members were compelled to redevelop their submissions to accommodate business changes such as payment holidays and or extended terms in order to maintain the accuracy of consumer profiles during a time when the relevance and application of our credit and risk data became even more important in navigating the unprecedented market conditions. Our Associate Members gave tremendous support to the required redevelopments and retesting for sign-offs on the revised data submissions.

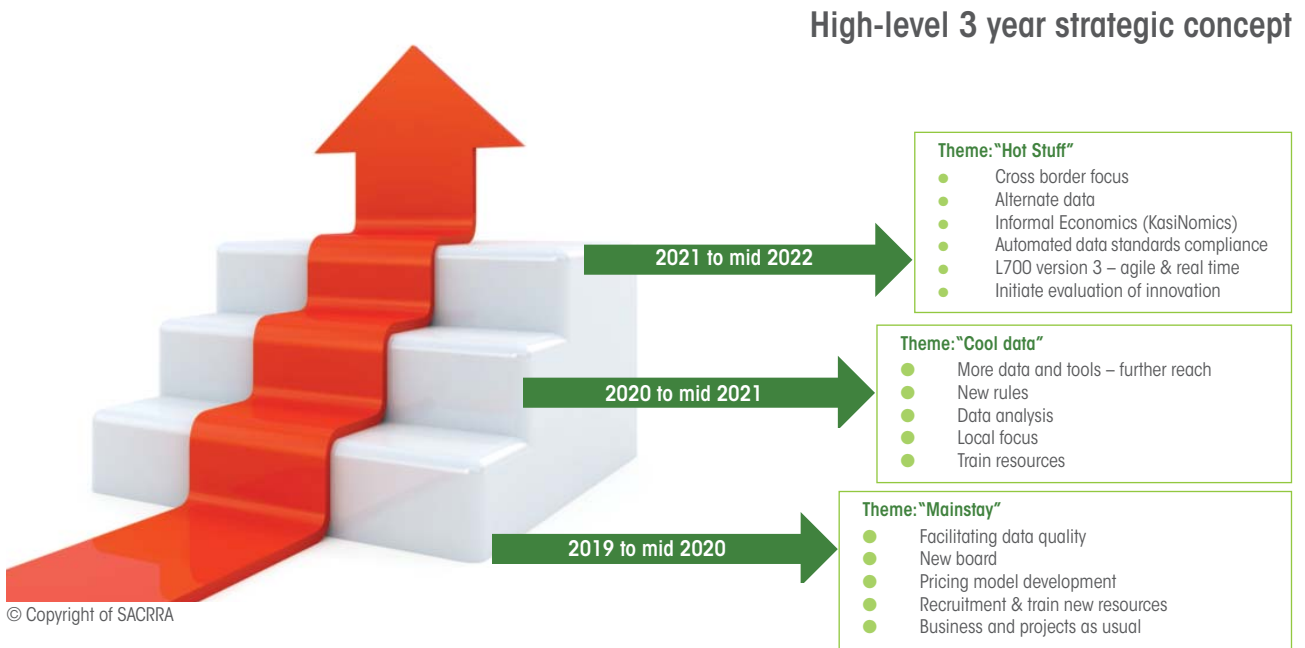
The Government classification of the microlending industry as a non-essential financial service for purposes of the National Disaster Management Plan meant that this sector's data was severely compromised forcing a huge collective effort to make up for missed data, or data format changes once the restriction was removed.

Despite the Office struggling to keep a firm grip on the resolution of the various data challenges and anomalies, it is to their credit that we maintained a file rejection rate of less than 1% for 10 of the 12 months! A phenomenal achievement considering the circumstances.

# CHAIR REPORT

## Significant progress on our journey continues

Our recent strategic journey has been focused on two themes of Mainstay and Cool Data, the former where we ensure that the basics of running the operations are effective and the latter where we focus on new data opportunities and challenges in our operating environment. Please see the accompanying exhibit describing the strategic themes.



## New Governing Body successfully established

Part of the Mainstay theme was the successful establishment of the new Governing Body which is now operating. This structure is a more robust and sustainable approach to guiding the affairs of our SACRRA but also presents new challenges. In this regard, we will need to put more focus on maintaining appropriate relationships with the senior management of our members who were previously represented in the Manco. Hence we will be making a proposal at the 2021 Annual General Meeting to extend the portfolio of the Human Resources lead in the Governing Body to also incorporate Stakeholder Relations.

## Significant progress in our data facilitation and management journey

Previously we implemented the Data Transmission Hub (DTH), the Data Master Application (DMA), and more recently in 2019, the Data Specification Matrix (DSM). In October 2020, we launched SACRRA Connect, our member portal. SACRRA Connect is an essential aid to support our members in their file loading activities and was launched after many years of planning, to provide our members with automated processes and tools. Members can now view the status of their files from the loading on DTH to the file quality reporting from the bureaus at the touch of a button.

Backing this is a newly implemented warehouse of meta data gleaned from bureau reports supported by a newly implemented business intelligence tool (Power BI). This allows our Stakeholder Management unit to understand members' data submission performance electronically. All of our Office's work as regards bureau report consolidations and engagement on data quality was until this development being managed manually. Staggering, when considering the volume of files and records the team has had to contend with over the years!

Members who have already registered and adopted SACRRA Connect report their satisfaction at the time saving this bring about and the clarity regarding their data submissions.

Membership adoption of SACRRA Connect is still in the early stages and we are looking forward to working with members to expedite usage of SACRRA Connect and the other available data management tools both to the benefit of our members and to the automation efforts within the Office.

# CHAIR REPORT

## Obsoleting the NLR successfully concluded

In 2020, we finally also managed to complete the decommissioning of the National Loan Register (NLR), which was one of the key outcomes of Project Evolution. The original intent of this initiative was twofold. The plan was to alleviate a difficult position for the National Credit Regulator (NCR) through the obsolescence of the NLR database. Given that the NLR was owned by the NCR who also had to regulate credit and risk data, the position of the NCR was compromised – regulating the data you own is problematic! Secondly, the intent was to unify the old Credit Providers Association (CPA) data with that of the NLR data in a standardised format and with aligned reporting cycles being daily and monthly for all data submission specifications.

## Business Credit and Risk Information (BusCRI) sharing initiative severely impacted

A significant disappointment was our inability to progress more rapidly on BusCRI data sharing, but as the potential contributors of this data were focused on immediate business adaptation and survival we look to 2021 to see progress in the sharing of business information. We foresee the BusCRI initiative being a valuable proposition for members involved in business credit and risk, and anticipate that in time, the BusCRI data will fund the running of this initiative. The project has largely run on seed funding from some interested members and a donor contribution from FinMark Trust, and we need to determine how best to fund the next stages to bring it to fruition.

## Future Membership Pricing model still under review

We did not increase our membership fees for the 2020 year. Our model for membership fee determination is still subject to discussion. Factors to be considered relate to how one charges for effort versus data contributed and or hosted, cash vs the credit portion of the members' books and the corporate structure of the member. This matter is complex but continues to receive attention.

## Our SACRRA's operating performance has been resilient

Thankfully, with the cooperation and engagement of both the data contributors and the data hosts, as well as the supporting service providers including our SACRRA Office, we maintained a file rejection rate of less than 1% for 10 months of the year despite the impact of the pandemic. Even in those poorer months, the rejection rate was less than 1.5% and occurred primarily because of the data catch up effort required by the Unsecured Category and the introduction of new payment options by other financial service providers.

The volume of files processed during the year held steady at 80 000 and were processed successfully through the DTH. Over 650m records were submitted and received by our members.

The Office staff remained well motivated through the year, despite remote work and the extra strain brought about by unexpected operational challenges.

## Other Stakeholder topics

During the year there were continued engagements with other industry associations, the NCR, and the South African Reserve Bank (SARB) on the Central Register (National Credit Act S69). We were also focused on the roles between the Credit Bureau Association (CBA) and SACRRA on our shared interests and the bureaus who are members of both associations. Many months were spent in negotiation with both the NCR and the CBA on the new contract to on-board NCR registrants. The original extended contract terminated in November with our having gained only 11 new data contributors with 18 files over the term of the contract to the collective data pool shared by members and parties compelled by law to share.

To assist the bureaus with the lawful receipt of and ability to process Manual Amendments, the CBA developed and implemented an interim solution for SACRRA members and other data providers to submit these data updates in a standardised format via a dedicated Secure File Transfer Protocol (SFTP). We agreed with the CBA in 2020 to implement changes to the DTH to facilitate these submissions through the DTH as quickly as possible and as such the two Offices have been engaging to finalise the specifications for this eventuality.

# CHAIR REPORT

## Your money matters

Our fees are paid in the 1st quarter of the year and consequently our income was not adversely affected when COVID-19 arrived, the same may not hold true for 2021. During the year we gained 13 new members and increased our revenue. From 2021 we will almost certainly experience the loss of members and lower membership contributions due to the effect of the pandemic.

There was a 2.8% (R533 701) increase in the comprehensive income from 2019 to 2020. Membership fees alone, increased by 3.2% (R573 236) between 2019 and 2020. Unfortunately with the demise of the NLR comes the end of the fees the NCR paid us for services rendered in managing the programme for the NCR.

Expenditure in projects and associated costs accelerated due to the investment in SACRRA Connect, the warehouse and the Power BI tool thereby providing enhanced statistical reporting to our members and within the office. In total an additional R2.6m was spent compared to project and associated expenditure the previous year. While these project cost increases are significant, we believe that they are more than justified in the long term ongoing benefits to our members.

Our SACRRA Office has a consistent and continuous focus on conservative spending and identifying opportunities for cost cutting. The previous annual underspend was mostly due to resource or other constraints, but with the additional technical resources acquired, the rapid progress has narrowed the gap between surplus and expenditure. Focused cost cutting initiatives resulted in a R1m reduction in budgeted expenses for our Association.

## “Civilization has always run on data”

Brad Smith, President of Microsoft in his book with Carol Ann Browne, titled *Tools and Weapons – the promise and the peril of the digital age*, makes the case for the importance of data in our world. There is little doubt that the data we collectively generate is an unspoken part of our national treasure and we need to treat it respectfully and with the care it requires. That we need to nurture and enhance it so South Africa can become more competitive and inclusive, goes without saying but that depends on all of us doing what we can to be active participants in South Africa’s data journey.

If one accepts this as truth, then the strategies and actions of our members and our SACRRA will need to address the heavy and new demands on data within the realms of the fourth industrial revolution. For us to derive the maximum benefits from its disruptive and innovative opportunities, our SACRRA needs to become increasingly clear on our role and value to South Africa and our members.

**Charles Chemel**  
Chair – Governing Body

# OUR GOVERNING BODY



Charles Chemel  
Chair



Chaz Jaffha  
Audit and Finance (Treasurer)



Gabriel Davel  
Independent



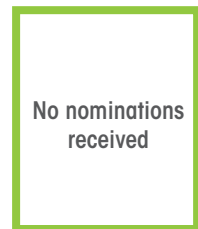
Louise le'Kay  
Risk



Ruben Naidoo  
Technology



Sharief Allie  
Data



Human Resources

# STATEMENT OF MANAGEMENT COMMITTEE

For the year ended 31 December 2020

## RESPONSIBILITY AND APPROVAL

The Governing Body is required in terms of the Association's Constitution to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in the report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards applicable to Small and Medium-Sized Entities. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards applicable to Small and Medium-sized Entities and are based upon appropriate policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Governing Body acknowledges that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Governing Body to meet these responsibilities, the Governing Body sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Association is on identifying, assessing, managing, and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.



## THE GOVERNING COMMITTEE REPORT

The Governing Body presents their Annual Report which forms part of the Annual Financial Statements of the Association for the year ended 31 December 2020.

### Main business and operations

The Association commenced with the facilitation of credit and risk information reporting from April 1989.

No matter which is material to the financial affairs of the Association and requires disclosure in the Annual Financial Statements has occurred between 31 December 2020 and the date of the approval of the Annual Financial Statements.

The operating results and state of affairs of the Association are fully set out in the Annual Financial Statements and do not, in our opinion require any other comment, save for those mentioned herein.

### Financial results

The financial results show that the Association has made a surplus during the current financial year. The Governing Body expects that the Association will perform adequately in the new financial year. The Association is expected to have sufficient cash resources to meet its obligations.

### Auditors

Carlisle Financial Services continued in office as the auditor of the Association for the 2020 financial year. Auditors will be appointed annually by the Governing Body and any such appointment will be ratified at the Annual General Meeting of the Association.

The full audit report is only available to SACRRA Members. For a copy of the full audit report, kindly contact our Office via email to [ansaj@sacra.org.za](mailto:ansaj@sacra.org.za)





## STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	2020 R	2019 R
<b>ASSETS</b>		
Non-current assets	200 777	228 146
Equipment	200 777	228 146
Current assets	23 275 434	20 868 966
Trade and other receivables	465 210	562 847
Cash and cash equivalents	22 810 224	20 306 119
<b>Total assets</b>	<b>23 476 211</b>	<b>21 097 112</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	19 738 185	17 679 216
Retained income	19 738 185	17 679 216
Current liabilities	3 738 026	3 417 896
Trade and other payables	3 395 634	3 110 803
Short-term bank borrowings	4 745	2 051
Provisions	337 647	305 042
<b>Total liabilities</b>	<b>3 738 026</b>	<b>3 417 896</b>
<b>Total equity and liabilities</b>	<b>23 476 211</b>	<b>21 097 112</b>

## STATEMENT OF COMPREHENSIVE INCOME

At 31 December 2020

	2020 R	2019 R
Comprehensive income	19 487 263	18 953 562
<b>Gross surplus</b>	<b>19 487 263</b>	<b>18 953 562</b>
Other income	284 867	474 688
Audit fees	(45 693)	(40 870)
Depreciation	(124 907)	(133 253)
Employment costs	(9 624 027)	(10 455 162)
Other operating expenses	(9 008 424)	(6 712 383)
<b>Surplus from operations</b>	<b>969 079</b>	<b>2 086 582</b>
Investment income	1 089 890	1 364 420
<b>Surplus before taxation</b>	<b>2 058 969</b>	<b>3 451 002</b>
Taxation	-	-
<b>Surplus for the year</b>	<b>2 058 969</b>	<b>3 451 002</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2 058 969</b>	<b>3 451 002</b>





## MANAGEMENT COMMITTEE

The Management Committee of the Association from January to 15 October 2020 were as follows:

Industry Represented	Representative	Organisation
	Darrell Beghin	SACRRA
	Hennie Ferreira <sup>1</sup>	MicroFinance South Africa (Pty) Ltd
Affiliate Member	Jaco Rossouw <sup>2</sup>	Principa South African Data Analytics, Consulting & Software
Affiliate Member	Jaco Schutte	Information Capital
Associate	Alex Moir	Xpert Decision Systems
Associate	Marina Short	Consumer Profile Bureau
Associate	Thabo Hermanus (resigned in August 2020)	Experian South Africa (Pty) Ltd
Associate	Thinus Nortjé <sup>1</sup> (replaced Thabo Hermanus)	VeriCred Credit Bureau
Insurance	Chris Franken <sup>1</sup>	Telesure Group
Insurance	Marc van der Zon (resigned in August 2020)	Hollard Insurance Company (Pty) Ltd
Other	Samantha Boucher	DMC / Real People
Retail Apparel	Pieter Maritz	Truworths Ltd
Retail Apparel	Sharief Allie	The Foschini Group Ltd
Retail Apparel	Thamsanqa Msimang	Edcon (Pty) Ltd
Retail Furniture	Eugene Ehlers <sup>3</sup>	Connect Financial Services (Pty) Ltd
Secured Finance	Leila Cassim <sup>4</sup>	Nedbank Ltd
Secured Finance	Louise le' Kay	First National Bank Ltd
Secured Finance	Paul Middleton	Absa Bank Ltd
Telecommunications	Riaan Smit <sup>1</sup>	Vodacom Ltd
Unsecured Finance	Christina Diedericks	African Bank Ltd
Unsecured Finance	Hein Olivier	Capitec Bank Ltd
Unsecured Finance	Mark Seymour	Thuthukani Financial Services (Pty) Ltd

### Notes

- 1 Non-voting member as per clause 9 of the Constitution
- 2 Vice-Chair
- 3 Treasurer
- 4 Chair

## GOVERNING BODY

The Governing Body of the Association from 15 October 2020 to the date of this report are as follows:

Representative	Organisation	Seat
Charles Chemel	CSC Advisory	Chair
Chazlian Jaftha	Wonga	Finance and Audit
Gabriel Davel	Davel Associates	Independent
Louise le' Kay	First National Bank Ltd	Risk
Rubendran Naidoo	Transaction Capital Recoveries (MBD)	Technology
Sharief Allie	The Foschini Group Ltd	Data
No nominations received		Human Resources

# MEMBER OVERVIEW

## MEMBER OVERVIEW

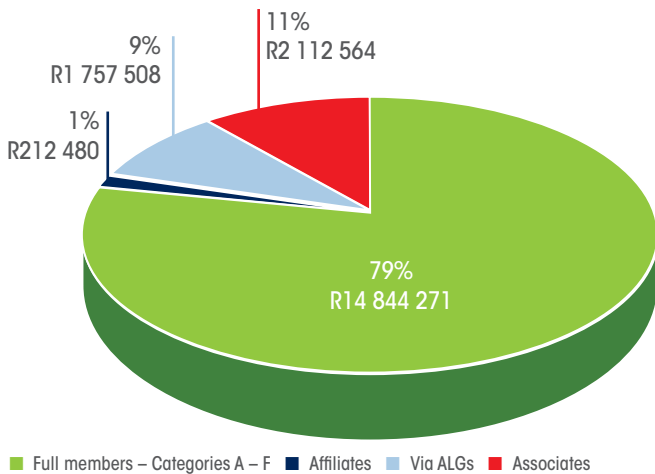
Our membership base increased with nearly 5% from 2019 to 2020, with the total Full Member Category (data contributors) increasing by 4.41%.

Other than a few new members joining, there were also movements between categories, mostly Category B or C members moving up to Category A and Category F members moving up to Categories E or D.

Minimal downward movements occurred during 2020.

Membership Category	2019	2020
Category A	50	54
Category B	18	16
Category C	52	57
Category D	31	34
Category E	16	20
Category F	60	56
<b>Total Full Members</b>	<b>227</b>	<b>237</b>
Affiliates	23	26
Associates	6	6
Affiliate-Led Groups (ALG)	8	8
<b>Total</b>	<b>264</b>	<b>277</b>

### Membership income contributions



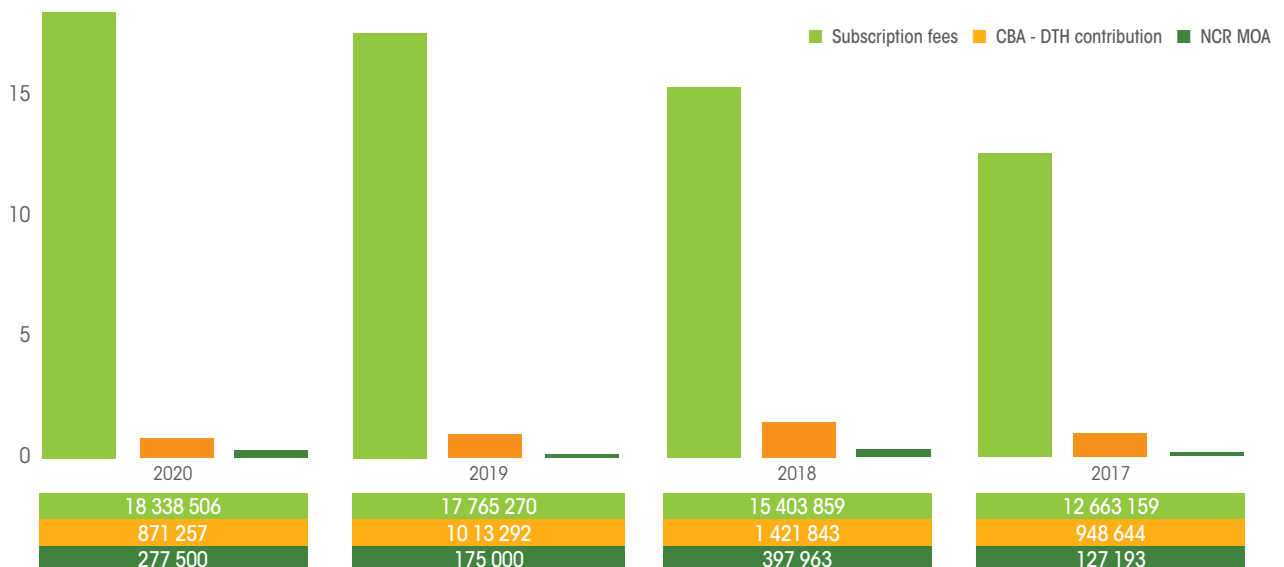
Membership Fee income is currently our main income source for the Association enabling our SACRRA Office to continue driving our mission for accurate and up to date quality data and for the necessary support to our valued members.

Collectively, the Full Members contributed 79% of the total fee income. Even though the Associate Members comprise a smaller number of members, they contributed 11% of the income.

The comprehensive income of the Association consists of subscription fees (member contributions) equaling R18.3m in 2020, 50% contribution from the Credit Bureau Association (CBA) towards the co-owned Data Transmission Hub (DTH) totaling R871 257 for 2020 as well as the prescribed fees paid by non-members under Regulation 19(13) under the Memorandum of Agreement (MOA) with the National Credit Regulator (NCR) equaling R277 500.

### Comprehensive income over 4 years

20 Million



# MEMBER OVERVIEW

## ASSOCIATE MEMBERS

Our Associate Members faced many challenges during 2020. We are appreciative of their efforts in:

- continuing the processing of interim solutions linked to the Project Evolution Compliance phase to enable data contributor compliance
- adjusting processes to cater for unique data challenges
- engaging with our Office and where required engaging with data contributors directly while continuing to provide bureau services to their customers

With the acquisition of Compuscan by Experian we continued to support 6 bureau environments as the newly formed organisation continued the integration of their different data environments.

Regardless however of all obstacles faced, the importance of this member category is undeniable as they are also the source of almost all of our data quality monitoring and reporting information. This information is loaded to our warehouse which in turn, allows us to perform our function. Additionally they also host all the data contributed in the L700v2 format and in future, the consumer data hosts and the specialist commercial bureau, will host the intended collective pool of business data.

We look forward to enhancing our support and collaboration with this member category as this is to the benefit of the entire Association and even to parties who are not members but who benefit from the lawful use of our shared data.

## AFFILIATE-LED GROUPS (ALGS)

With the majority of their clients being in the Microlending Sector, and the fact that this sector was not considered essential financial service providers under the Government restrictions for coping with the pandemic, our Affiliate-Led Groups faced a varied set of challenges.

This member category collectively has more than 2 000 individual organisations submitting the largest volume of files, albeit with small record counts, their dependencies on the group leaders' platforms and support is vast.

The Group Leaders and their clients demonstrated their resilience and commitment to servicing consumers and the Group Leaders continued to positively engage our SACRRA Office on various topics related to ensuring the smooth flow of credit and risk data. These topics ranged from finding solutions to the unique data challenges faced by their clients, to providing input to SACRRA Connect and to the functionality it offers them. We look forward to future engagements and finding more ways for the Leaders and their clients to benefit from our efforts.

## AFFILIATE MEMBERS

This membership category increased from 23 to 26 members between 2019 and 2020. These members typically service Full Members and in some instances Associate Members and it is in this regard that these parties subscribe to our Association. For the first time in SACRRA history, a member of our Manco and also of our Exco, in his capacity as Vice Chair of the Manco, was elected from this membership category. We are referring of course, to Jaco Rossouw of Principa. This is another demonstration of how common interests in the sharing of quality data and the beneficial deployment thereof, contributes to a diverse membership base and provides a space to collaborate and discuss matters of interest in the industry.



# OPERATIONAL PERFORMANCE

## DATA QUALITY OVERVIEW

Towards the end of March, the COVID-19 pandemic caused major disruption. We had to re-valuate, redesign, adjust and adapt to this unfamiliar environment, almost overnight. Under the resulting economic pressure, with constrained resources, our members were challenged to cope with normal business operations and the impact on their data submissions.

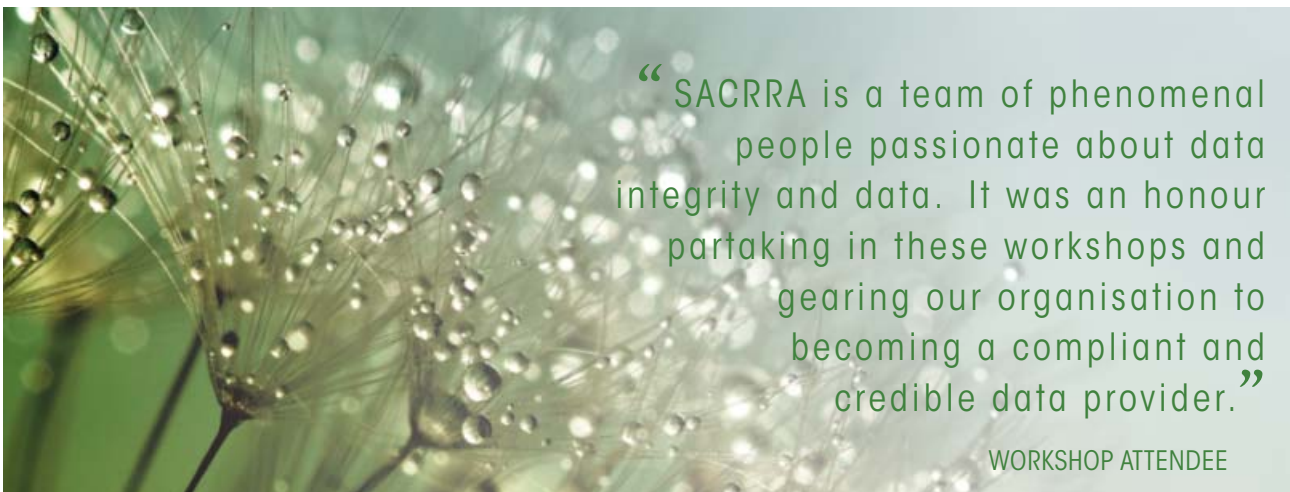
Yet, on the opposite side of the spectrum, the need for a stable, updated, and accurate credit and risk data sharing environment was almost more crucial than ever. Given the circumstances, additional extensive analysis and adjustment to credit and risk management policies and strategies occurred to ensure our members could meet these challenges. An unbiased source of factual information on consumers' payment performance history would have been an essential component in the business artillery.

Our role is to facilitate optimised quality and quantity of credit risk data being reported and loaded. With this core focus the challenging environment had to be carefully navigated in serving the interests of both data contributors and data hosts (Associate Members).

Shortly after lockdown, our Office pro-actively communicated the requirements for adjusted data submission. We issued multiple circulars and guidelines on the submission of payment holidays and extended terms. We closely collaborated with our Associate Members and initiated weekly meetings, new communication channels, data monitoring and management processes as well as a more streamlined testing and sign-off process. These and other initiatives would ensure that we were positioned to effectively assist data contributors as they made the necessary changes to their data extracts.

Payment holidays and extended terms did not form part of most of our Data Contributing members' normal business product offerings. As such, they were required to undertake development for system changes to comply with the NCR circular issued in May.

With a smaller than usual Stakeholder Management team, we remained resolute throughout the year in our attempt to meet the significant increase in demand for SACRRA support, facilitation, and guidance. The statistical information of this year demonstrates this increased demand and provides an interesting insight into how the pandemic impacted the data.



“SACRRA is a team of phenomenal people passionate about data integrity and data. It was an honour partaking in these workshops and gearing our organisation to becoming a compliant and credible data provider.”

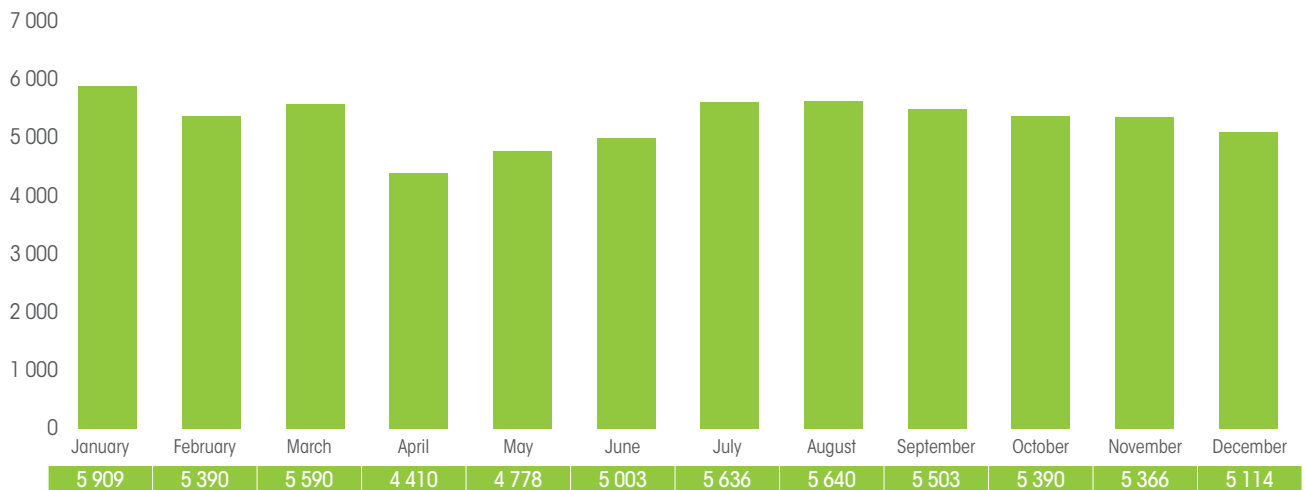
WORKSHOP ATTENDEE

# OPERATIONAL PERFORMANCE

## FILE SUBMISSION VOLUMES

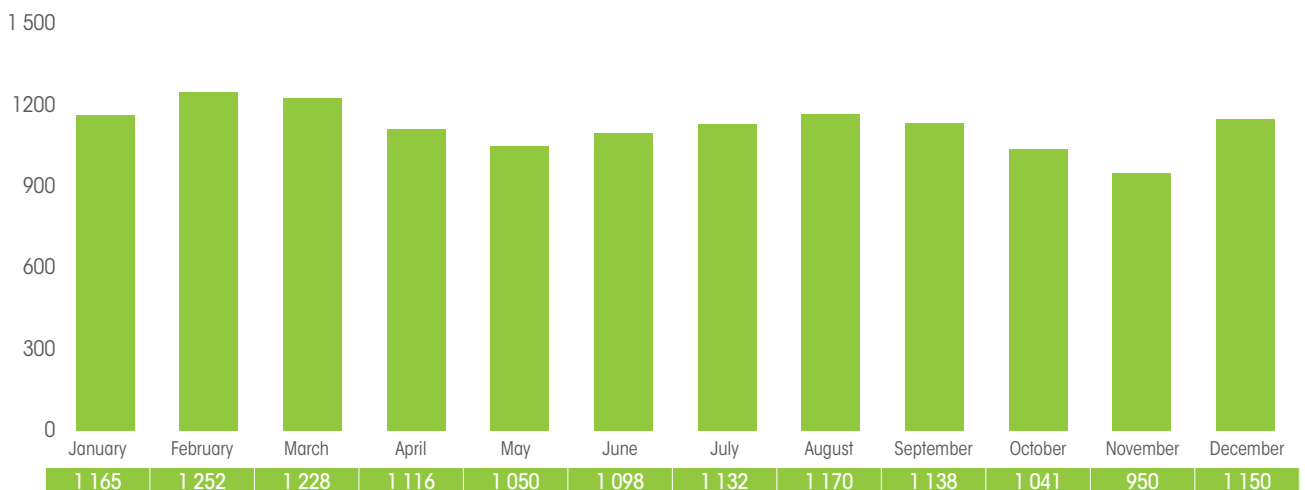
- It must be noted that the record counts are based on data load and quality reports that were received from the bureaus and are an average calculated between the 6 bureau data bases.
- The exclusion of the microlending industry in the National Disaster Management Plan had significant impact. With this industry being classified as a non-essential financial service provider, these members could not submit data as usual. The impact is especially visible when reviewing the daily file submissions. Once the exclusion on these members was lifted, it became apparent that most were still unable to submit data, given the need to create historical profiling. Nor could they contend with the constriction in their markets or their business resources.
- The lockdown had an immediate impact on the number of daily files with a **decline** of more than **1 000** Daily Files sent through the DTH in April.
- A month-on-month increase in file submissions is visible from May onwards and the file volumes appeared to stabilise from July and became more aligned with previous norms.

### Daily Live Files



- In contrast, the full impact on the number of Monthly Files submitted via the DTH was seemingly delayed as the lowest number of files was submitted in May. From our experience members elected to not submit files where they were aware that the information was not aligned with the requirements of the data specification as supported in the May NCR circular.

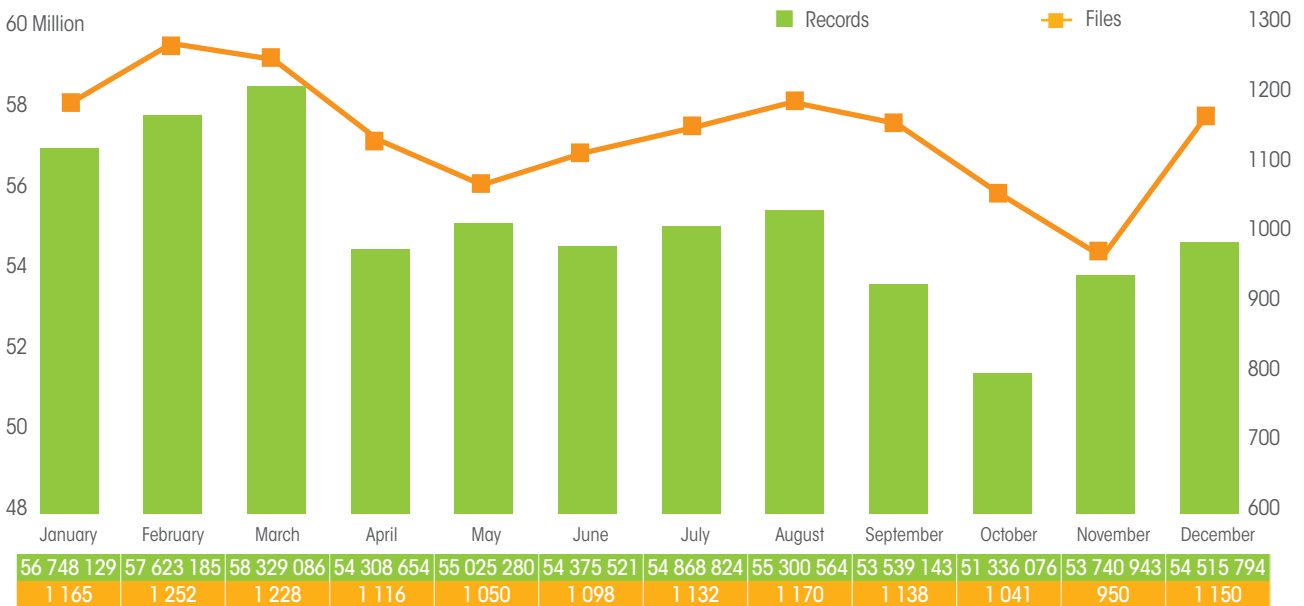
### Monthly Live Files



# OPERATIONAL PERFORMANCE

- When overlaying the number of monthly files submitted with the average number of records received for the same period, other interesting trends emerged.
- It is clearly visible in May that the file count declined and the record count increased. October compared to November also supports this trend.
- The biggest insight provided by the graph is the clear and significant decrease in the number of records being reported since the start of the pandemic in March. The pre-lockdown volume of files and record counts was not noted again for the rest of the year.
- The visible decrease in number of records and files reported in October is due to a large data contributing member with several files undergoing migrations to other suppliers and the related record count is not included in this graph. These actions will be concluded in 2021 and consumer records updated accordingly.

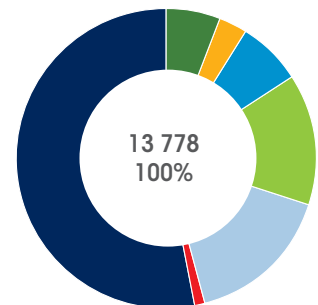
**Trends – An average across Bureaus on Monthly Files and Records**



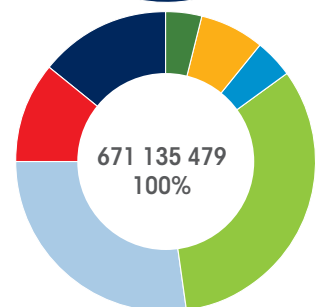
**Monthly files and Records by Member Category.**  
Based on highest volume reported by a Bureau

Member Category	Monthly Files		Monthly Records	
	%	Total	%	Total
Furniture Retail	6	731	4	23 028 644
Insurance	3	459	7	49 621 017
Other	7	955	4	25 941 114
Retail Apparel	14	1 835	33	218 493 153
Secured	16	2 197	27	182 842 652
Telecoms	1	146	11	75 633 538
Unsecured	53	7 055	14	95 575 361
<b>Total</b>	<b>100</b>	<b>13 378</b>	<b>100</b>	<b>671 135 479</b>

**Monthly Files by Member Category**



**Monthly records by Member Category**



**Monthly records by Member Category**



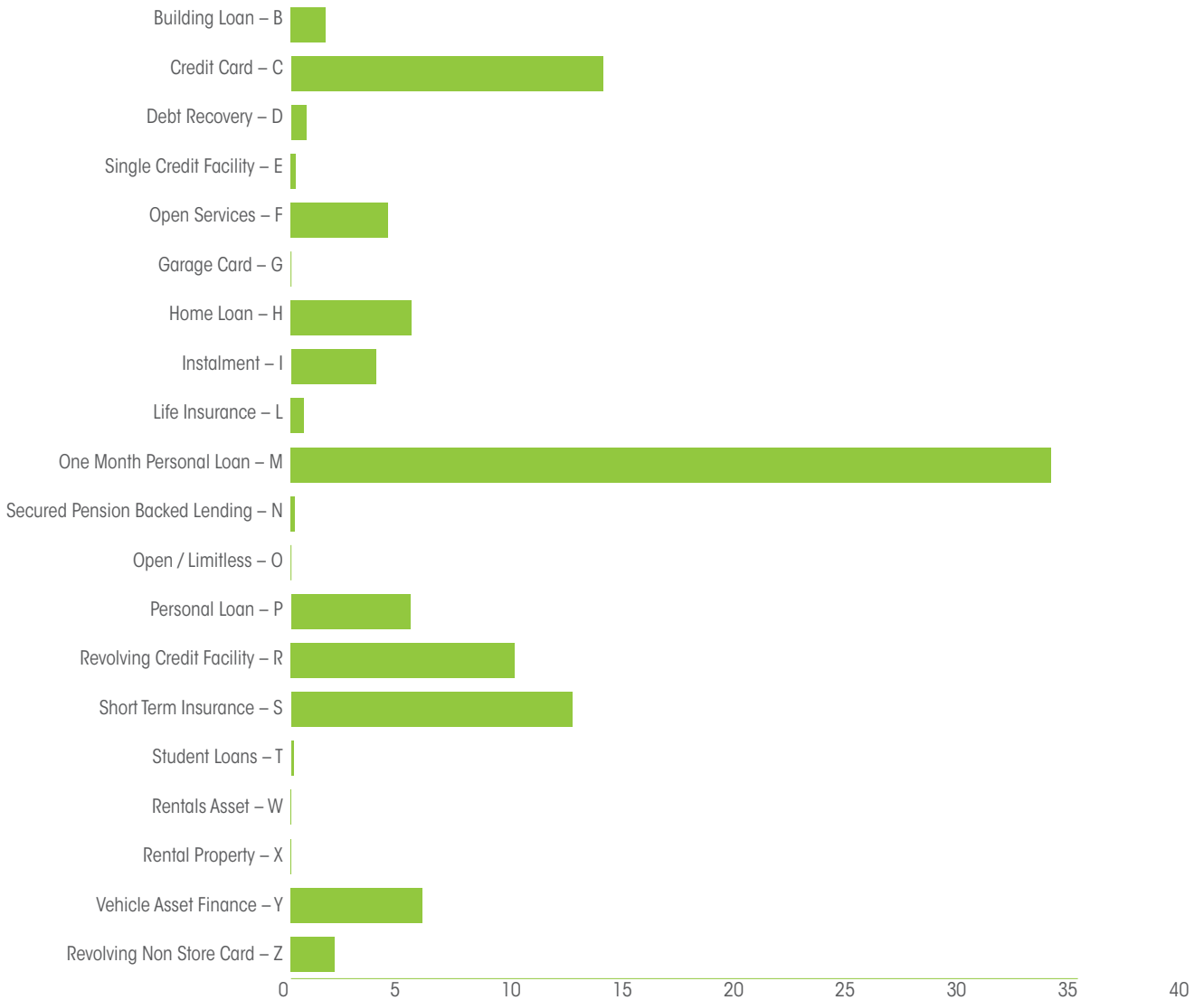


# OPERATIONAL PERFORMANCE

In light of the increased need for enhanced risk mitigation and management by members, our Office prioritised the drive to ensure quality data while coping with submission format adjustments. These actions informed how we addressed any data anomalies.

■ A review of the total rejection percentages afforded this insight across the SACRRA account types:

## Account Type Rejection %



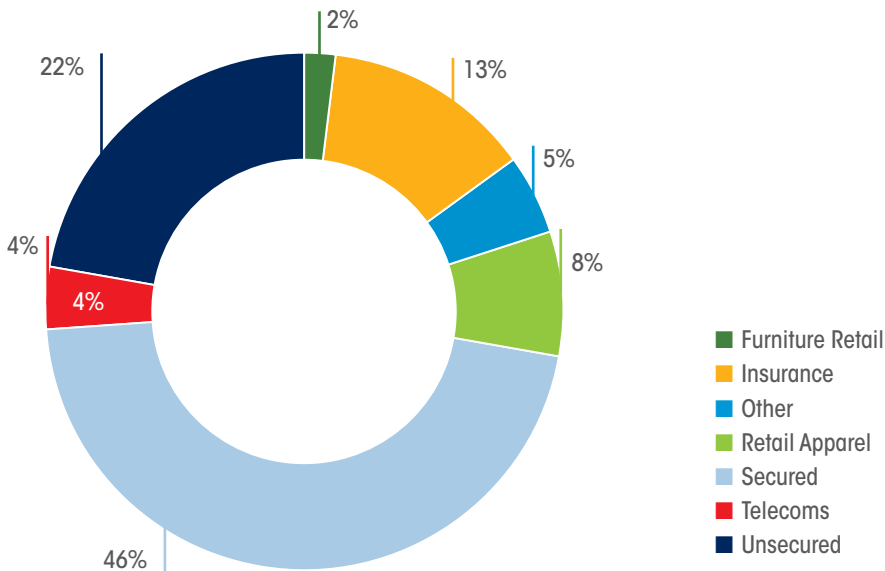
■ It is clear that one-month personal loans contribute to the majority of the percentages while Garage Cards show no rejections at all.



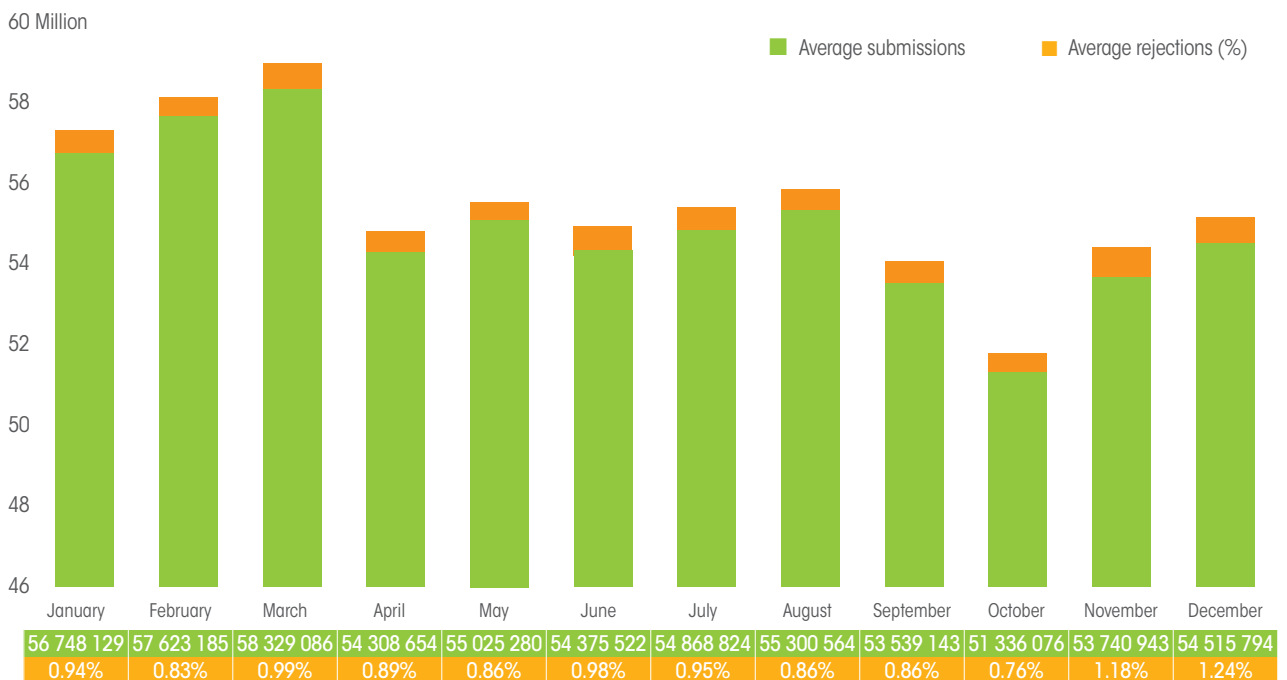
# OPERATIONAL PERFORMANCE

When looking at the Member base across the rejection percentages, it is evident that almost half of all rejections originated from the Secured Member Category.

Rejection % per Member Category



Records Submitted vs Records Rejected



Except for November and December where statistics are still outstanding, with the commitment from our members and the completion of clean-up activities, we managed to maintain a rejection percentage below 1%.

## OPERATIONAL PERFORMANCE

A team of 5 Stakeholder Managers (SHM) monitored and managed over **650 Million** Monthly records submitted during the year. This does not include the number of records contained within the Daily Files.

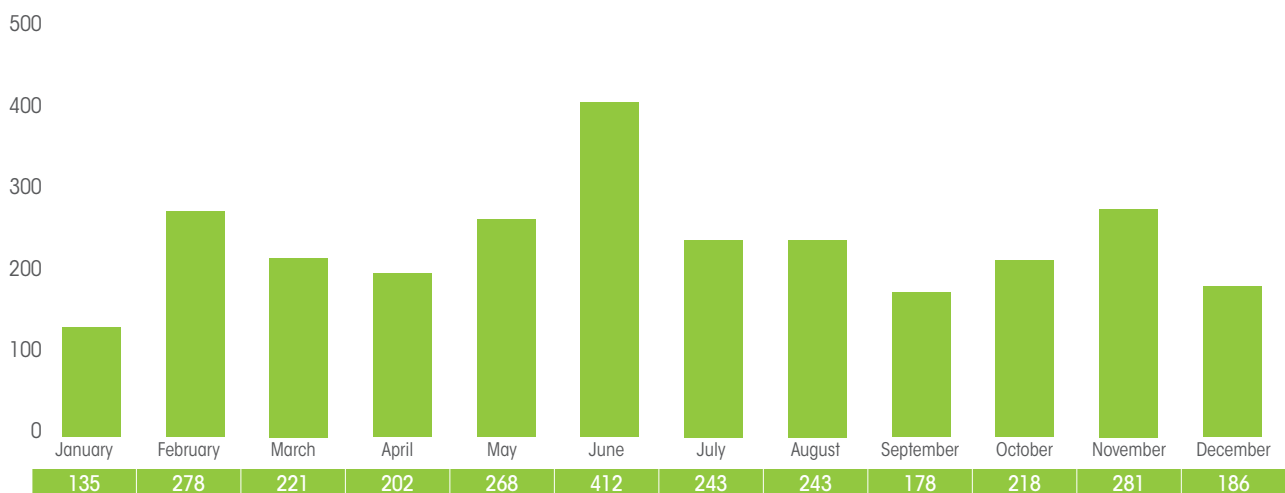
Due to the diligent focus on data quality, several data contributors went into a file testing phase. This had a significant impact on resources across industry as the testing had to be coordinated and results from 6 bureau data bases taken into consideration during the testing phase.

- A total number of **2 865** files were tested during 2020.
- It is clear from the graph that the peak of test file submissions was reached in June with an extraordinary **412** files being submitted. This relates to 82 files per Stakeholder Manager and an enormous 330 pdf bureau validation reports to be reviewed and analysed for consolidation.
- The table below also provides insight into the annual values when only considering 4 of the 6 Associate Members' validation reports:

Period	Number of test files received	Number of files per SHM (5)	Total pdf reports from 4 bureaus for review and consolidation per SHM
2020	2 865	573	2 292 – p/a
June	412	82	330 – July only

- Aligned with testing timelines, the Stakeholder Management team received just over **10 000** emails in July which were the results of files submitted in June.

### Number of test files

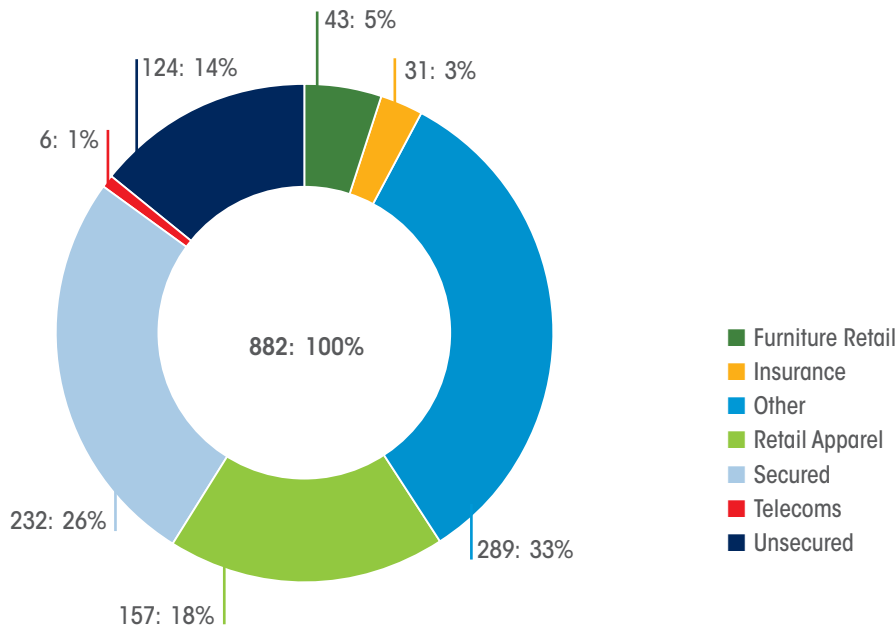


## OPERATIONAL PERFORMANCE

Where data contributing members were unable to change their systems to accommodate the extract requirements, other, less desirable options like Ad hoc Files, had to be utilised to ensure consumer information remained as recent and accurate as possible.

- **882 Ad hoc Files** had to be co-ordinated and facilitated. This is significant as 62% of Ad hoc Files relate to the interim processes in place for the Project Evolution Compliance phase. This also means that these Ad hoc Files fall outside of the normal load and validation process and needed additional effort from resources and often unique development for bureaus to test, process and load these files.

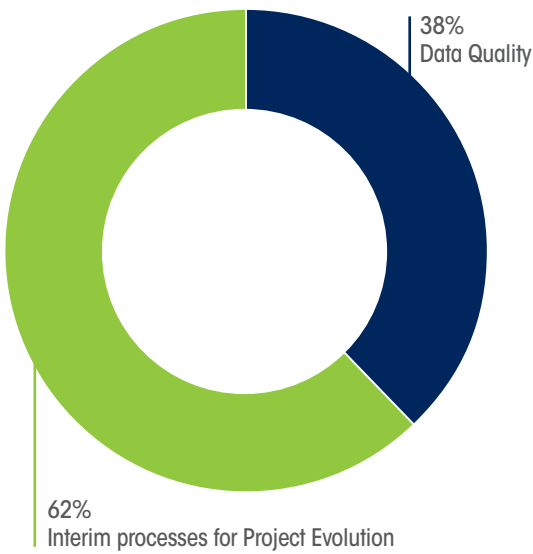
Ad hoc Files submitted by Member Category



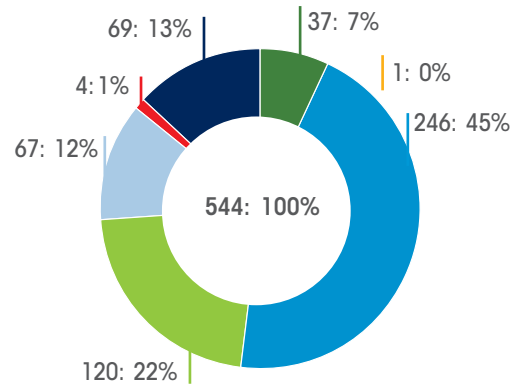
- Every effort was made to issue Materiality Decision Matrix (MDM) Alerts to keep Members informed of data challenges where a high severity impact occurred. Twelve MDM alerts were issued during the year as 38% of Ad hoc File submissions related to data quality issues.
- When reviewing the Ad hoc Files submitted across the membership categories, it is evident that the Secured and Other Categories provided an unexpectedly large proportion of Ad hoc Files compared with the rest of the base. In other words, although the Secured Category only submitted 16% of the files overall, the Category submitted 26% of the Ad hoc Files. The majority of these files related to data quality issues. Similarly, the Other Category only submitted 7% of total files but accounted for 33% of the Ad hoc Files.

# OPERATIONAL PERFORMANCE

Ad hoc file submissions

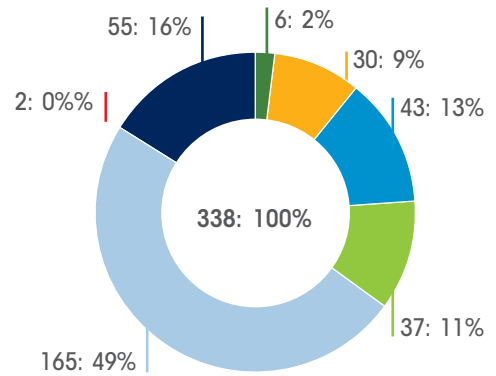


Interim Processes – Ad hoc Files by Member Category



The Secured Category accounts for 12% of these files. Ad hoc Files are most frequently used for updating records for the On-selling of Debt, Prescription and/or Closures.

Ad hoc Files by Member Category for DQA



Our Office, together with a number of Insurance companies embarked on a campaign to address the QE 1 counts (QE = Quality Exception) which most often occurred when premiums were unpaid or policies lapsed.

There were numerous causes of data quality issues which required remedial action:

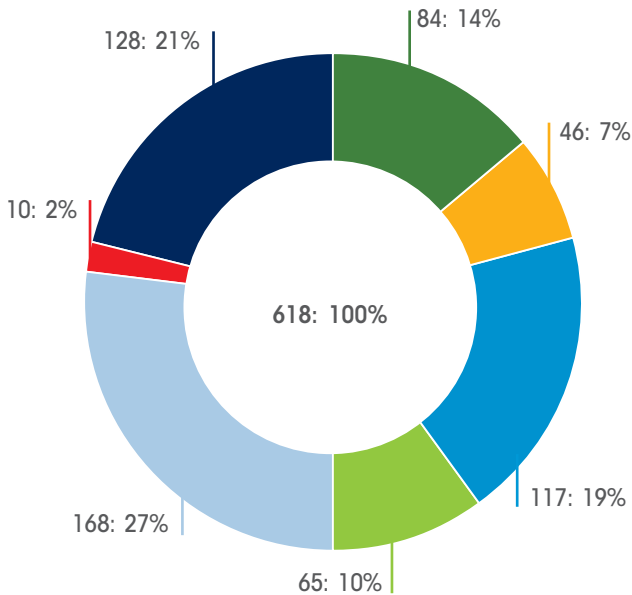
- Duplicates
- Migration
- QE 1 clean up files
- Incorrect submission of month in arrears
- General data anomalies and inaccuracies
- Record deletions

- Furniture Retail
- Insurance
- Other
- Retail Apparel
- Secured
- Telecoms
- Unsecured

# OPERATIONAL PERFORMANCE

A comparison of the distribution of Replacement files submitted by Members against the overall member category distribution, highlights that the Secured, Furniture Retail, Insurance and Other categories provided larger than expected proportions of Replacement files during the year.

## Replacement files – Member Category

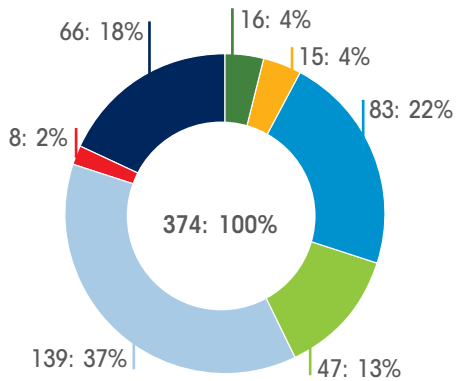


These files typically arose where the following data issue were prevalent:

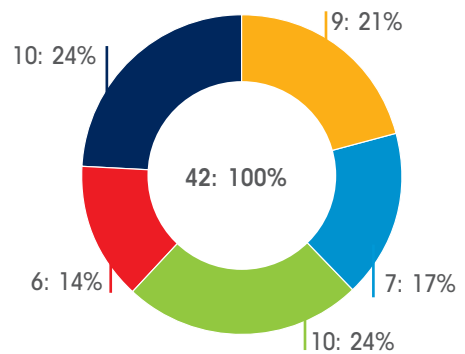
- Misalignments and incorrect submission of the header and/or trailer records
- Incorrect submission of Status Code B (Final Closure) and the Y indicator (Prescription Interrupter)
- Incorrect financial fields (Months in Arrears, Current Balances and Instalment Amounts)
- Correction of deferred payment dates
- Incorrect naming of files

- Furniture Retail
- Insurance
- Other
- Retail Apparel
- Secured
- Telecoms
- Unsecured

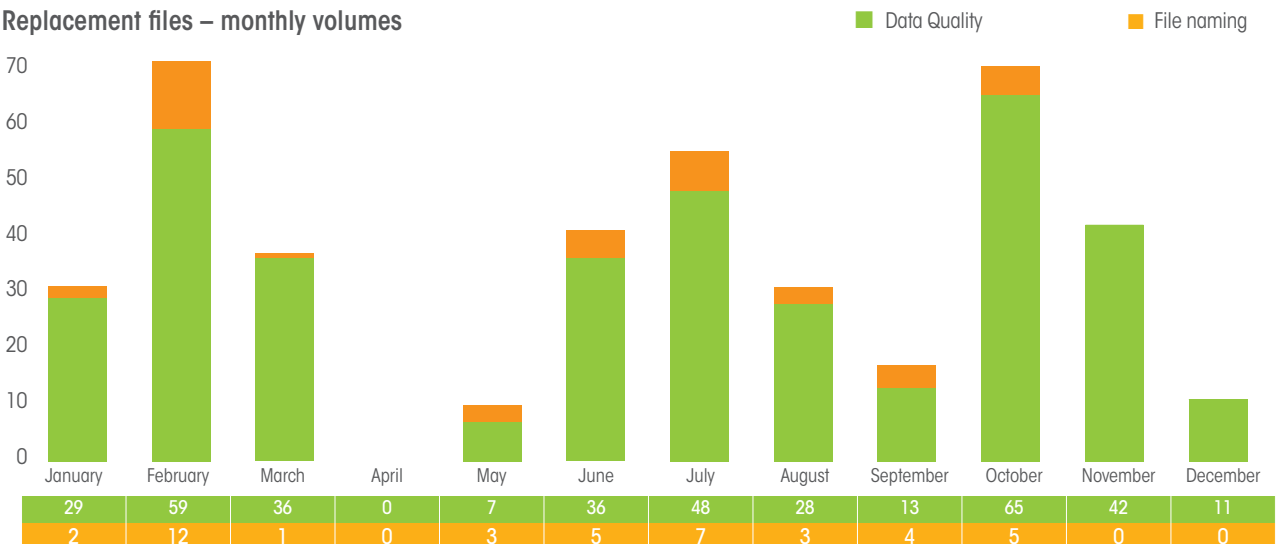
## Replacement files – Data Quality



## Replacement files – File Naming Issues



## Replacement files – monthly volumes



# OPERATIONAL PERFORMANCE

## NATIONAL LOAN REGISTER (NLR) DECOMMISSIONING

The National Credit Regulator established the National Loans Register Management Committee (NLRMC) in 2008, which became effective from 1 January 2009.

The NLRMC comprised of:

- Three representatives from the Microfinance South Africa (MFSA).
- Three representatives from the South African Credit and Risk Reporting Association (SACRRA); and
- One representative from the National Credit Regulator (NCR).

“Sharing of credit data has been one of the key drivers in the growth of credit access for lower-income consumers in developing economies. Through the NLR, many lower-income consumers in South Africa, who did not have access to credit, managed to build up a credit profile allowing those with positive credit records to broaden their credit access at more favourable rates.”

MARK SEYMOUR, NLRMC MEMBER

Illustrated below is a summary of the mandates given to this committee and various accomplishments achieved over the years.

NLR Manco Mandate	Accomplishments / Milestones
<p><b>Assume responsibility for the management of data quality.</b></p>	<ul style="list-style-type: none"> <li>■ Prevented mass migration from NLR to then CPA datasets for larger credit providers.</li> <li>■ Increased monthly submissions by almost 2 million records. At its peak there was just over 8 million records being submitted prior to the migration to the new layout commenced.</li> <li>■ Stabilised the synchronisation process.</li> <li>■ Both the Micro Finance South Africa (MFSA) and the SACRRA promoted compliance through various internal disciplinary processes.</li> <li>■ Advised the NCR where non-compliance was identified.</li> </ul>
<p><b>Review existing bureau hosting agreements and advise the NCR on the inclusion of additional data hosts.</b></p>	<ul style="list-style-type: none"> <li>■ Testing and take-on of new data hosts completed.</li> <li>■ Synchronisation process expanded.</li> <li>■ Compuscan (2010) and XDS (2011/2012) appointed as additional NLR hosting bureaus.</li> </ul>
<p><b>Define and advise on the future of the NLR data.</b></p>	<ul style="list-style-type: none"> <li>■ MFSA joined as SACRRA (then CPA) Members in 2010.</li> <li>■ The Data Transmission Hub used as a secure file sharing mechanism.</li> <li>■ Project Evolution initiated, and addressed the classification of the type of agreements between “NLR” and “CPA” and ensured a sustainable future for this dataset.</li> <li>■ NLR Database decommissioned.</li> </ul>

## OPERATIONAL PERFORMANCE

In this historic industry milestone, recognition must be given to the commitment and dedication from various parties. They are:

- Mark Seymour, represented the MFSA, the only remaining member from the original NLRMC and has been an active member since the inception of the committee in 2008.
- Darrell Beghin, current Executive Director of the SACRRA, was initially involved as a Micro Finance Regulatory Council (MFRC) consultant on the NLR functioning and synchronisation process. She then represented the NCR on the NLRMC since 2011 until she joined the then CPA as Executive Director. She later also became the Chair of the committee after the representative from African Bank stepped down.
- Representing the then CPA, Hannalie Crous, was the first elected Chair of the NLRMC and it was under her guidance that Project Evolution was established. She also became the first and one of the most influential Project Sponsors for Project Evolution.
- African Bank remained dedicated to this journey and continued to have a representative on the NLRMC until it disbanded.
- Tshangwane Serakwane, representing the NCR on the NLRMC during the final stages of the decommissioning process, was also noted as being the very first NCR representative when the Committee first became effective in 2009. The NCR had a representative in attendance at every meeting since 2009.
- The then CPA appointed a dedicated staff member from 1 April 2009 to assist with NLR data management in conjunction with CPA responsibilities:
  - Carike Gerber from 2009 to 2014 (5 years); and
  - Deroshnee Mia from 2014 to 2020 (6 years).





# OPERATIONAL PERFORMANCE

## NATIONAL LOAN REGISTER (NLR)



2002	<ul style="list-style-type: none"> <li>Under auspices of MFRC, launched on 23 November 2002 to assist microlenders in making informed decisions and guard against reckless lending. Two NLR approved hosting bureaus: Information Trust Corporation (ITC) and Experian</li> <li>Submission of data was compulsory as per Usury Act Exception Notice</li> </ul>
2003	<ul style="list-style-type: none"> <li>Reciprocity agreement entered into between closed user groups of CCA and NLR (under auspices of MFRC)</li> </ul>
2007	<ul style="list-style-type: none"> <li>Implementation of NCA removed the mandatory submission requirement and submissions became voluntary. Reciprocity between CPA and NCR remained in place.</li> </ul>
2008	<ul style="list-style-type: none"> <li>NCR established National Loans Register Management Committee (NLRMC).</li> </ul>
1 January 2009	<ul style="list-style-type: none"> <li>NLRMC became effective. Hannalie Crous appointed as Chair.</li> </ul>
1 April 2009	<ul style="list-style-type: none"> <li>CPA appointed NLR Data Administrator</li> </ul>
2010	<ul style="list-style-type: none"> <li>Hosting expanded with Compuscan appointed as 3rd hosting bureau.</li> <li>Number of monthly records increase with 2 million records.</li> <li>MFSA became members of the then CPA.</li> </ul>
2011/2012	<ul style="list-style-type: none"> <li>XDS appointed as 4th hosting bureau.</li> </ul>
2012	<ul style="list-style-type: none"> <li>Initiation of Project Evolution – Hannalie Crous as first Project Sponsor</li> </ul>
2017	<ul style="list-style-type: none"> <li>NLR Decommissioning Proposal Accepted</li> <li>Migration and clean up actions initiated.</li> </ul>
1 September 2020	<ul style="list-style-type: none"> <li>NLRMC accepted NLR dataset as decommissioned and submitted proposal to NCR to disband the NLRMC as all mandates completed.</li> </ul>
26 January 2021	<ul style="list-style-type: none"> <li>After due diligence process, the NCR confirmed the acceptance of the proposal and the official disbanding of the NLRMC.</li> </ul>

In a NLRMC meeting held on 1 September 2020, the committee reviewed the information provided by the individual NLR Hosting Bureaus to verify the successful decommissioning of the NLR. Based on the information provided, the NLRMC was satisfied with the results and proceeded to submit an official recommendation to the NCR indicating that the mandates allocated to it by the NCR, had been completed and the committee could therefore be dissolved.

Upon the completion of the required due diligence process, the NCR confirmed in communication on 26 January 2021 the official disbanding of the NLRMC.

## OPERATIONAL PERFORMANCE

“The industry benefit of integrating the National Loans Register (NLR) with that of the then CPA (SACRRA) dataset was identified in 2009 already, as a clear way forward to ensure a sustainable future environment for both datasets. I am pleased to hear that this journey has finally concluded and that the NLR Manco’s original vision of establishing secure, standardised submission formats for a single collective data pool, has become the new everyday reality.

I wish SACRRA all the best for the continued journey to enhance and further improve credit risk data that will benefit consumers and credit providers.”

HANNALIE CROUS, EX-NLRMC MEMBER, EX-CHAIR AND PROJECT EVOLUTION SPONSOR

The Composition of the final NLMC:

### Voting Participants:

Seipati Sehume	NCR
Tshangwane Serakwane	NCR
Mark Seymour	MFSA
Emil Gryffenberg	MFSA
Leonie van Pletzen	MFSA
Christina Diedericks	SACRRA
Leila Cassim	SACRRA
Darrell Beghin	SACRRA – Chair of the NLRMC

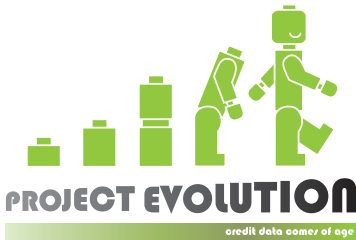
### Non-Voting Participants:

Hennie Ferreira	MFSA
Carike Gerber	SACRRA
Andrea van der Westhuizen	SACRRA

Through the dedication and commitment of this committee and its representatives over the past 12 years, the future sustainability of this data has not only been secured, but also became the catalyst for the reporting of New and Closed Accounts within 48-hours across all industry sectors.

It is with great pleasure that we close this chapter within the South African credit and risk information sharing environment, a true industry milestone.

# OPERATIONAL PERFORMANCE



## PROJECT EVOLUTION PHASE 1 – (L700v2)

Except for one data contributing member with 2 files within the Secured Category, all SACRRA data contributing members have successfully achieved compliance with the submission of data within the prescribed Layout 700 version 2.

## PROJECT EVOLUTION PHASE 2 – COMPLIANCE

With Project Evolution Phase 1 almost completed, the focus now shifted to the Compliance Phase. This phase of the project originated from various changes in the compliance and regulatory environment with new guidelines published in 2015.

This phase of the project officially went live on 14 December 2020. This meant that files could be tested, signed off and loaded as live file submissions.

The Compliance Phase included the following addendums to the L700v2 Data Specification:

- Prescription of Debt – Introducing new Status Codes “B” and “Y”
- Debt Sold to Third Party Process – Introducing new Status Code “A”
- Status Code “A” and “R” – Introducing new Status Codes for “End of Data Submission”
- Overdrafts – Introducing submissions for Account Type “V”
- Mortgage Pre-Registration – Introducing new Status Code “N”.

A significant effort was put into creating interim processes for the Associate Members to assist Data Contributors where the contributors were unable to immediately develop changes to their systems. The Associate Members have for several years provided support but given that these processes are resource intensive and unsustainable, Data Contributors were being actively engaged to comply their development and begin testing.

Several members made significant progress and we looked forward to providing them with full sign off early in the new year.

“Intelligence is the ability to adapt to change.”

STEPHEN HAWKING



## OPERATIONAL PERFORMANCE



### BUSINESS | CREDIT & RISK INFORMATION

#### BUSINESS CREDIT AND RISK INFORMATION (BusCRI) INITIATIVE

The BusCRI project has been with us for several years already and has proven to be a unique and challenging initiative to progress.

For the first three months of the year, we were actively engaging with various of our biggest consumer data contributing members outside of the Secured Category, who had indicated interest in the sharing of data. Progress unfortunately came to a halt with the COVID-19 pandemic when these organisations informed us that they were unable to proceed for the remainder of 2020. Furthermore they were unlikely to reconsider until the later part of 2021.

Regardless, we proceeded with the project in as much as times allowed. In May, our Office, after consultation with the SACRRA Manco, wrote to the NCR to reaffirm their endorsement of the BusCRI Specification as the prescribed submission format for Sole Proprietor information. A positive response was received.

The NCR engaged with the Agricultural sector directly and individually, confirming the intended method and format of reporting and the very first BusCRI file was shared for testing in August.

During the ongoing testing other issues related to the BusCRI specifications were identified, clarified and amended as needed.

Our SACRRA Office published a brochure to assist our Stakeholder Managers to market and engage with potential contributors of this data.

To educate our Office, the entire team underwent training on legal matters pertaining to the business credit and risk environments. This training was offered to us at no cost by one of our members in the agricultural sector and other Agri Cooperatives. Being ever conscious of costs, we were most grateful for their assistance. In addition, one of our Associate Members kindly provided us with further insight into the operations and challenges within the business sector. These members efforts have been invaluable and will greatly assist all who will in future participate in the BusCRI initiative.

After several workshops with our Associate Members, we agreed on a standard file naming convention for BusCRI files to be submitted via the DTH as per the requirements of the NCR. Development on the DTH will enable file sharing and this is anticipated to commence in the second quarter of 2021.

Numerous engagements, specifically with the Agricultural sector were completed and a representative appointed by some parties, to investigate and address their concerns about the confidentiality of their customer data in a shared environment. Also to address practical queries related to the data specification. These engagements were successfully completed in November.

Towards the end of the year, work began on the integration of the Data Master Application (DMA) and the Data Specification Matrix (DSM). This integration will align the rule sets across the two applications enabling our Office to capture the rules in the DSM and use these same rules when running the DMA. Once completed our Office will create the BusCRI rules thereby providing a platform for the testing of BusCRI files by data contributors prior to submission to bureaus. In this manner the entire testing process will be streamlined and resources more effectively utilised by all parties engaged in the process of submitting BusCRI data for the first time.

Although slow and often intangible, we remain committed to this initiative to achieve effective sharing of business credit and risk data. In the new year a broader stakeholder engagement strategy will be considered and the focus on this project reprioritised. We look forward to the guidance and positive impact of the new Governing Body in our BusCRI journey.

# OPERATIONAL PERFORMANCE

## SACRRA AUTOMATION AND TOOLS

The year 2020 saw the launch of an important phase of the SACRRA Automation Project, our member portal branded as SACRRA Connect.



In order to assist members on the use of SACRRA Connect, 10 workshops were scheduled where a total of 115 people were taken through the system. Individual sessions were also provided via our Stakeholder Managers.

User statistics were as follows:

- 6 Associate Members with a total of 30 users
- 61 Full Members with a total of 143 users
- 10 Affiliate-Led Groups with a total of 28 users

Our Office will engage members to expand and increase the user base of this valuable tool in the coming year.

SACRRA Connect is simple to use with the first phase aiming to eliminate the major areas of concern as identified by our data contributing members, these being:

- The ability of SACRRA to review data issues effectively and provide feedback timeously
- Identification of no updates of data by data contributors for 60 days or more
- Late/non submissions and submissions of replacement files/Ad hoc Files by data contributors
- Bureaus not adhering to service level agreements for data loading

These concerns are addressed through the provision of dashboards that provide daily and monthly rejection and quality assurance statistics as well as dashboards showing data contributor out of Service Level Agreement (SLA) file submissions and bureau out of SLA file loads.

The data quality dashboards provide statistics for each file submission and these are consolidated across the 6 bureau data bases. Prior to the introduction of SACRRA Connect the consolidation of these statistics was a labour intensive manual process, this has now been automated resulting in a significant saving for both data contributing members and our Office as illustrated:

### Member example

A large bank would have an average of 25 Supplier Reference Number files (SRN) per month, this will result in 525 bureau load reports from 1 bureau (20 x 25 daily reports + 25 monthly reports), when this is multiplied by the 6 Associates, this brings the total up to 3 150 reports (525 bureau load reports X 6 bureaus). To manage this effectively would require 2 full time resources at an estimated salary bill of R600 000 each; R1.2 million/annum.

### The SACRRA Office

There are 21 000 lines of data that must be analysed per month and this is growing month-on-month. On average it takes 5 minutes to analyse one line, the total cost for this analysis can be calculated as follows:

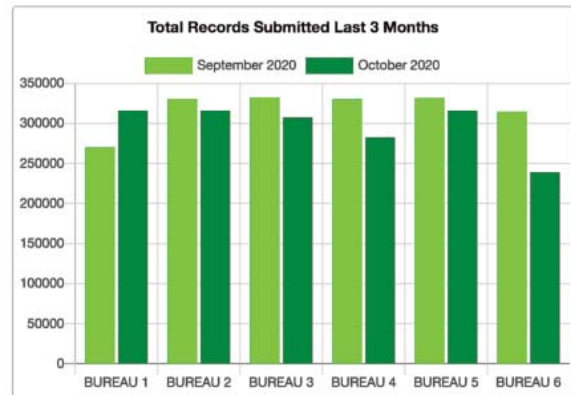
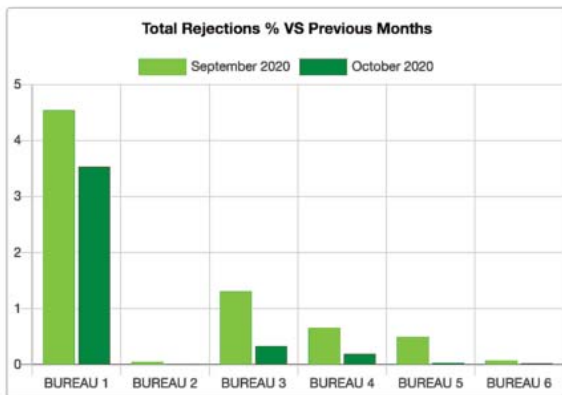
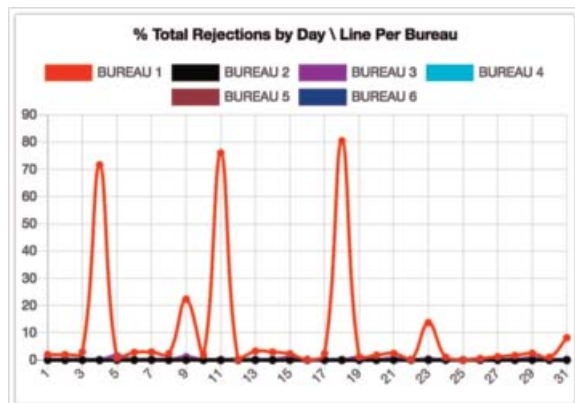
21 000 lines of data X 5 min per line	<b>105 000 min</b> <b>1 750 hours</b> <b>218,75 days</b>
Number of Stakeholder Managers at time of analysis	<b>5</b>
Total number of days required to complete analysis	<b>43,75 = 2,1 months</b>
This implies that an additional 5 Stakeholder Managers would be required to do a full monthly analysis of the complete dataset	
Estimated salary bill for 5 Stakeholder Managers	<b>R2 million/annum</b>

# OPERATIONAL PERFORMANCE

The out of SLA dashboard data is updated daily, making it possible for users to pro-actively identify and submit out of SLA files. Previously these statistics were received from the Associate Members up to 10 days after the file submission should have taken place, resulting in the need for Ad hoc Files and in some cases data would not been submitted at all.

By registering and using SACRRA Connect, data contributing members were empowered to take ownership of their data without needing to wait for our Office to provide the consolidated reports or feedback on out of SLA files. Members have an up to date daily view of their data quality and can pro-actively rectify any errors.

Examples of some available dashboards:



Detail statistics can be exported as a csv file for further analysis by the user member.

SRN Details for 2020 / October / Member: 'ANONYMOUS' / All Bureaus / All SPs / All SRNs

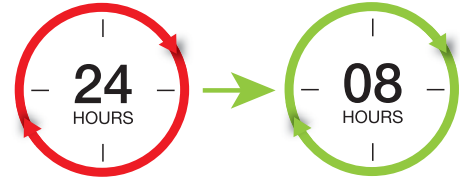
Total Rejection % Min Value: 0      Total Rejection % Max Value: 100      Transaction Date From: 1      Transaction Date To: 31      [Get Data](#)      [Export Data](#)

Transaction Date	Bureau	Member Name	SP	SRN	Total Records	Total Rejections	Total Rejections %	Total Registrations	Registrations Rejected	Registrations Rejected %	Total Closures	Closures Rejected %
020-10-31	BUREAU 4	ANONYMOUS	SP0003	SA0*	2	2	100%	0	0	0%	2	100%
020-10-31	BUREAU 5	ANONYMOUS	NA	SA0	2	2	100%	0	0	0%	2	100%
020-10-26	BUREAU 4	ANONYMOUS	NA	SA	1	1	100%	0	0	0%	1	100%
020-10-17	BUREAU 5	ANONYMOUS	NA	SA	2	2	100%	0	0	0%	2	100%
020-10-13	BUREAU 1	ANONYMOUS	NA	SA	7	7	100%	7	7	100%	0	0%
020-10-07	BUREAU 4	ANONYMOUS	SP0003	SA	1	1	100%	0	0	0%	1	100%
020-10-09	BUREAU 1	ANONYMOUS	NA	SA	2842	2783	98%	2783	2783	100%	59	0%
020-10-23	BUREAU 1	ANONYMOUS	NA	SA	2844	2771	97%	2771	2771	100%	73	0%
020-10-23	BUREAU 1	ANONYMOUS	NA	SA	65	61	94%	61	61	100%	4	0%

\* SRN masked in example except for actual users

# OPERATIONAL PERFORMANCE

Users have the ability to request and manage SRNs and update information pertinent to their organisation. The SRNs are generated automatically after a Stakeholder Manager has completed the required quality review. This has decreased turnaround times for SRN requests from 24 hours to 8 hours and is particular helpful to the Affiliate-Led Groups who daily request large volumes of SRNs.

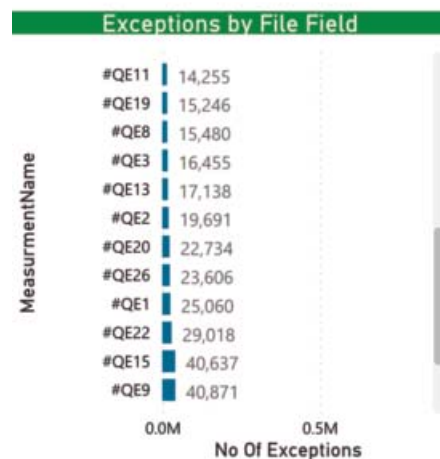
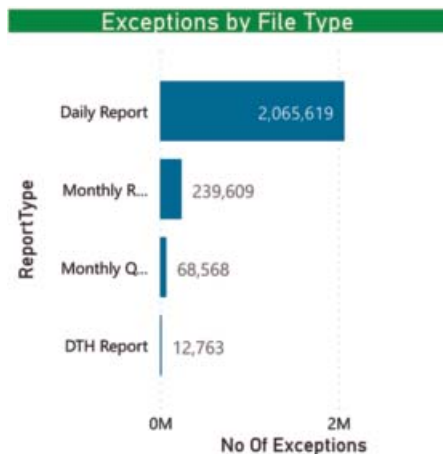


At no time do we have a view of the consumer profile data (i.e., the data that is provided in the submission files). The data that is used in SACRRA Connect is data quality meta data with regards the submission files and is collected from Bureau Load and Validation reports as well as from the Data Transmission Hub reports. This data is held in a structured data warehouse and the dashboards are extrapolated from there.

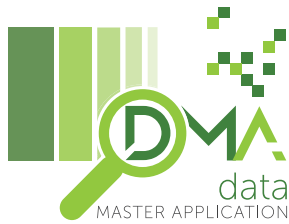
In line with our goal to better utilise resources and optimise processes, part of the solution was the implementation of a back office workflow system. This system provides a workbench of tasks that need to be actioned. These tasks are created through SACRRA Connect user requests, such as the request for the creation of an SRN or the update to member information. The workflow facilitates standard processes and keeps track of history of all requests. It highlights bottlenecks within the processes so that an incremental improvement can be achieved.

A further initiative was the implementation of business intelligence tool for use by our Office, the tool sits on top of our warehouse and affords detail analysis of member data quality across various dimensions. The tool allows for management by exception with specific views and reports created for data quality issues that have exceeded an acceptable threshold.

Examples of some of the exception summary reports available to the Stakeholder Managers:



## OPERATIONAL PERFORMANCE



All other tools remained stable with no major development taking place in 2020. User stats as follows:

### DATA MASTER APPLICATION (DMA)

337 members with a total of 291 users.

This is the number of registered users and may not be a true reflection of actual users, as the system is installed locally, it is not possible to electronically monitor usage.

### DATA SPECIFICATION MATRIX (DSM)

30 members with a total of 55 users.



# OPERATIONAL PERFORMANCE



## THE DATA TRANSMISSION HUB (DTH)

The DTH has a required naming convention that must be used when submitting files. There are 8 file naming components. Where one or more are incorrectly provided, those files are rejected and deleted from the DTH. Notification is delivered to the relevant parties confirming same.

There are instances where a file will fail the successful upload process for the below reasons:

- Duplicate File Name
- Invalid File Name
- File Validation Failure

### Duplicate File Name

Where the exact same file name is uploaded to the DTH, this will be rejected, to indicate a resubmission of a file, the sequence number needs to change accordingly.

### Invalid File Name

Where a component of the file name is excluded, the DTH will reject this.

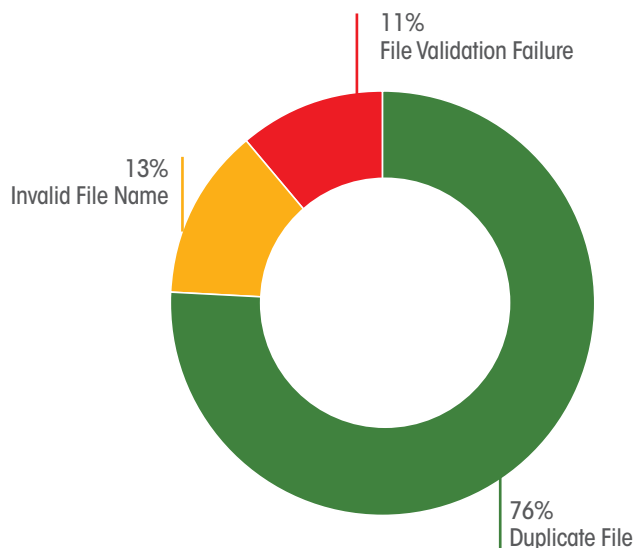
### File Validation Failure

Where a component of the file name is provided, but incorrect, the file will be rejected. For example, a file with a future date will be rejected.

In 2020, a number of files were rejected by the DTH:

### Totals for Files Rejected by Reason

File Type	Year to date
Duplicate File	5 068
Invalid File Name	901
File Validation Failure	711
<b>Totals Files Rejected</b>	<b>6 680</b>



The DTH maintained an annual up time of 99%, this despite some connectivity issues due to COVID-19 and the impact of this on remote working and network traffic. File submissions remained constant with no significant impact on capacity which is still within specified limits.

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## MEMORANDUM OF AGREEMENT FOR ONBOARDING DATA CONTRIBUTORS

The initial Memorandum of Agreement (MOA) between ourselves, the National Credit Regulator (NCR) and the Credit Bureau Association (CBA), as the co-owner with SACRRA of the DTH, was concluded in June 2020 and was extended to November 2020 to allow for renegotiations of a new contract. Various papers were produced to facilitate these discussions, these range from lessons learned, our pricing philosophy and membership fees. The renegotiations continued past December 2020.

The assessment of NCR registrants as well as onboarding of parties continued during the 2020 year. Unfortunately the uptake from registrants was very slow pending the publication of subsequent Guidelines on Regulation 19(13) confirming new compliance dates and relevant fees. The funds received in this process were put towards the assessment, onboarding, and ongoing support for data contributors, as well as the data sharing infrastructure being provided by our Office to non-members. The funds raised did not meet all of the expenses incurred and this was logged with the Manco and raised with the NCR.

### Progress of the total NCR registrant base

NCR Fee Category	Not assessed	Assessed	No commitment	No consumer data	Unique products	Onboarded and/or Live	Total
N1	4			1		17	22
N2	3					10	13
N3	11				2	32	45
N4	25		2	1	9	81	118
N5	188		39	29	6	197	459
N6	294	59		32		405	790
N7	203	23		10		202	438
N8	213	39		9		194	455
N9	4 560	175		30	3	1 241	6 009
<b>Grand Total</b>	<b>5 501</b>	<b>296</b>	<b>41</b>	<b>112</b>	<b>20</b>	<b>2 379</b>	<b>8 349</b>

1. No onboarding fees or deadline were published yet for NCR Registered Categories N6 to N9.

2. "No consumer data" refers to credit providers offering products to commercial clients, Special Purpose Vehicles (SPV) including pawn transactions and investment-backed loans where no repayment obligation exist.

3. "Unique products" mainly refers to instances where a product type or behaviour is not currently catered for in the prescribed format such as the agricultural sector, which will now be onboarded in the BusCRI data specification as endorsed by the NCR.

Dandelions symbolise happiness, joy and youthful thoughts, but can also symbolise health, power, perseverance, endurance and determination and is a promise of total faithfulness.

We remain faithful to our mission.





**C**ONCEPT  
**T**ECH**N**OLOGY  
**I**MAGINATION  
**K**NOWLEDGE  
**G**ROWTH  
**C**REATIVITY



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