



BUSINESS | CREDIT & RISK
INFORMATION

BusCRI News

Quarter 4 – FY2024

From the Executive Director's Desk



Magauta Mphahlele
Executive Director

Dear Stakeholders,

As we near the end of the year, it is the perfect time to reflect on what we've accomplished with the BusCRI project during 2024. This initiative has been an exciting and complex undertaking, and your contributions have been instrumental in driving our progress. Here's a snapshot of our achievements to date:

Stakeholder Engagement

We have successfully engaged with key government organisations, including the Competition Commission, National Treasury, Department of Trade Industry and Competition, Department of Small Business Development, and the National Credit

Regulator. All of these organisations have expressed their support for the initiative, recognising it as a critical step toward inclusive lending and addressing barriers in the SMME market. The NCR and the IFC launched the second phase of the South African Credit Reporting and Financial Inclusion (SACRFI) project which includes BusCRI as one of the key projects that will be supported by the IFC. SACRRA and the IFC are working together to ensure the successful implementation of BusCRI.

The response from the Competition Commission has been particularly pleasing as a formal request to the Commission to assess the objectives of BusCRI for any potential competition issues and provide guidance on how they can be best addressed was accepted. Whilst the Commission does not provide legal opinions, they have agreed to highlight areas of the Competition Act that would apply to the sharing of business information and how these should be managed. At the time of issuing this Newsletter, the Commission had advised that the request was allocated and is being worked on and we anticipate receiving a guideline on the submission of business data by the end of the year. Additionally, the Department of Small Business Development has requested a seat on the Steering Committee and has incorporated the initiative into their strategy roadmap.

We have also hosted several roundtable discussions and other meetings, engaging with major industry organisations and thought leaders, all of whom have responded positively. These interactions have provided valuable feedback that will help us develop a robust business data framework.



www.sacra.org.za



087 701 3254



sacra@sacra.org.za

The Credit Bureaus play a pivotal role in the success of this project, and we are pleased to report a firm commitment from the Credit Bureau Association with the primary bureaus who are fully aligned and eager to move forward.

* *Conditional participation*
 ** *Provision of guideline and exemption if required*
 *** *Funding business case consultancy*

Stakeholder	Engaged	Support	Funding	SteerCo	Working Groups
Agence Française de Développement	Y		TBC		
Banking Association South Africa	Y	Y*		Y	Y
Competition Commission	Y	Y**			
Credit Bureau Association	Y	Y		Y	Y
Department of Small Business Development	Y	Y		Y	
Department of Trade, Industry and Commission	Y	Y			
International Finance Corporation	Y	Y	Y***		
Large non-bank Lenders Association	Y	Y		Y	Y
Micro Finance South Africa	Y	Y		Y	Y
Association of Debt Recovery Agents	Y	Y		Y	Y
National Clothing Retailer Federation SA	Y	Y		Y	Y
South African SME Lenders Association	Y	TBC		N	N
National Credit Regulator	Y	Y			
National Treasury	Y	Y			

Appointment of a Service Provider to Conduct a Diagnostic and Business Case

We are pleased to announce that the IFC has appointed Krutham South Africa (Pty) Ltd) as the consultants responsible for conducting the BusCRI diagnostic and developing the business case. This exercise is expected to take 13 weeks, with an estimated completion date in late February 2025.

The timeline accounts for the holiday season, during which limited progress is anticipated.

We are grateful to the IFC and the NCR for making this very important aspect of the project possible.

Krutham (formerly Intellidex) has offices in London, Sandton, and Boston, operating globally and serving clients in sub-Saharan Africa, Europe, and the United States. It is a research-led financial consultancy with a 16-year track record in sub-Saharan Africa, of note are their strong relationships with South African financial policy makers and major banks. The company focuses on sustainable development in emerging markets by

offering solutions that bridge capital markets, policy, and social impact across public and private sectors.

The Krutham analysis will provide deeper insights into the SMME market and enable us to deliver a solution that effectively addresses the real needs of both lenders and businesses in the SMME market.

The project phases and deliverables are outlined in the table below. During this process Krutham will be reaching out to all stakeholders and we would appreciate your co-operation and assistance in providing them with the time and information that they need.

Project Phases	Task	Output & Deliverable
Kick Off	Align with all the relevant stakeholders on the scope and key deliverables	Alignment on key deliverables
Inception	Based on the outcomes of the kick-off, the revised scope will be finalised	Inception report
Historical review	Collect and review all documentation with regards to BusCRI to date; interview stakeholders on the progress of BusCRI thus far	Historical analysis of BusCRI
Regulatory review	Review the regulatory environment for SMEs in South Africa	An outline of the current state of requirements for SME financial access
Case studies	Research the best global methods for credit risk information sharing	Best practice analysis
Stakeholder engagement	Feedback and alignment with stakeholders on the best way forward based on preliminary findings	Stakeholder consensus on the way forward
Business case development	Based on the above research steps, the key findings will be consolidated into a practical business case for information sharing	Business case final draft



Appointment of BusCRI Project Manager

The Governing Body proposed, and SACRRA Members approved, that 2025 budgeted funds be allocated to the appointment of a dedicated Senior Project Manager and other resources necessary to drive this project forward. The Project Manager will play a vital role in planning and coordinating activities, ensuring resources are allocated effectively, and maintaining clear communication with all stakeholders. They will oversee timelines, manage risks, address issues, and track progress to ensure deliverables meet quality standards. By facilitating collaboration, managing changes, and keeping the project aligned with its goals, this appointment will ensure successful execution and delivery. A Project Administrator will be appointed to support the Project Manager by handling administrative tasks, helping to ease the Project Managers workload.

There is no requirement for additional funding in 2025 as the budget has planned for the essential roles. It is expected that further funds will be needed in 2026/2027 for additional resources, SACRRA system development, and communication.

What's Next for BusCRI?

Looking ahead, our focus will shift toward:

- i. Constituting a Steering Committee, with the the primary objective of the first Steering Committee being to ratify the project focus and scope in line with the diagnostic business case outcomes;
- ii. Constituting the Technical Workstream, this workstream will focus on alignment of the current draft Data Specification with the project scope and regulatory requirements as per the Competition Commission Guideline and the legal opinion that was completed this year; and
- iii. Documenting the required policies on SOPs that will define the principles governing access to and use of this data, in line with the legal opinion obtained and guidelines expected from the Competition Commission

Caroline Smith is the contact person for any BusCRI related enquiries and suggestions. She can be reached at carolines@sacra.org.za.

Together, we're building something exceptional.

Warm regards,



Magauta Mphahlele

