"With every record, with every file, we facilitate accurate and fair credit and risk decision making"

SACRRA | CREDIT & RISK REPORTING ASSOCIATION

UNDERSTANDING REGULATION 19(13)

SACRRA is your gateway to sharing and accessing consumer credit information!

DID YOU KNOW?

In terms of Regulation 19(13) all data providers that access the payment profile information of a consumer for a permitted or prescribed purpose as provided for in the National Credit Act must submit data to the six authorised credit bureaus through the central Data Transmission Hub co-owned by SACRRA and the Credit Bureau Association. In terms of Regulation 18(7)(c) credit bureaus are also allowed to receive consumer credit information from entities providing short- and long-term insurance.

INTRODUCTION

The South African Credit & Risk Reporting Association (SACRRA) is a not-for-profit voluntary industry association that provides the shared infrastructure and facilitates the sharing of various types of credit and risk information, such as a consumer's key demographic data, credit history and financial payment behaviour on various credit and risk products, amounting to over 59.9 million records per month.

The sharing of this data happens between credit and data providers (also known as data contributors) and the six primary credit bureaus. These credit bureaus are authorised by the National Credit Regulator to receive, host and sell this information. The filing of this consumer credit information comes from different industry sectors – ensuring that the credit bureaus receive up-to-date, accurate information in a useable format.

This secure, reliable data-sharing system allows lenders and service providers to make informed decisions about giving credit and other contractual products and/or services while helping consumers build a clear credit history, information that is essential to promoting responsible lending and inclusive financial growth in South Africa. Membership of SACRRA is voluntary, offering various benefits and access to a knowledgeable support team and data management tools enabling members to meet their legal requirements.

GET A COMPETITIVE EDGE FROM SHARING AND ACCESSING CONSUMER CREDIT INFORMATION

- More than 23 insurance companies (both short- and long-term) already share data through the SACRRA Data Transmission Hub and receive back consumer profile data from the 6 credit bureaus that are authourised to hold consumer credit information.

- These entities clearly realise a significant benefit from reporting via SACRRA. These benefits include:

  - **Cost effective shared infrastructure** – a world class, encrypted data transmission and reporting infrastructure through the provision of dedicated resources, relevant fit-for-purpose tools, and streamlined submission processes.

  - **Direct access to a validation engine** to provide immediate insights into data contributors' data quality.

  - **SACRRA Data Specification** ensures that any legal and regulatory compliance and data submission needs are well provided for.

  - **SACRRA aims to continuously maintain and improve the quality**, quantity and consistency of credit and risk data on both consumers and businesses.

  - **Independent and balanced facilitator** acting as a central point of communication between various credit bureaus.

  - **Up to date, standardised and relevant data** provides a comprehensive view of payment behaviours that support:

    - ✓ fair and equitable decisions and inform scorecards and risk management strategies.

    - ✓ More accurate risk assessment when acquiring a new client, as well as offering additional products to existing clients based on individual consumer payment behaviour.

    - ✓ More accurate propensity to pay assessments for decreased payment default rates.

    - ✓ Decreased cost of individual consumer acquisition expense.

    - ✓ Access to bureau products using payment profile data e.g. risk-based authentication across the entire consumer lifecycle; fraud analytics (early detection and prevention); verifying consumer identities; risk solutions and mitigation (with underwriting, more accurate policies and lowering loss ratios); customer-driven analytics solutions, predictive modeling, scorecards, data-driven decision tools and marketing solutions etc.

    - ✓ The opportunity to be part of the South African data sharing ecosystem and access to various key industry stakeholders (e.g. bureaus, regulators, other industry associations).

THE REGULATORY REQUIREMENTS FOR SHARING DATA

All credit and data providers in South Africa are required to:

- **Submit Credit and Risk Data:**
  All credit and data providers (if access is required to bureau data) must submit relevant consumer credit information about their customers or clients, such as new credit agreements, closed accounts, and monthly payment profiles, within prescribed timelines.

- **Use the SACRRA/CBA Co-Owned Central Data Transmission Hub:**
  This data must be submitted through the SACRRA/Credit Bureau Association (CBA) Data Transmission Hub, a secure platform that facilitates seamless data transfer to the six credit bureaus authorised by the National Credit Regulator (NCR) to host consumer credit information.

- **Follow the Prescribed Data Format:**
  Data must be submitted in the format specified by Regulation 19(13) to ensure consistency and accuracy, which is the SACRRA Consumer Data Specification.

- **Comply with Submission Timelines:**
  Data must be submitted daily and monthly within prescribed timelines.

THE BENEFITS OF SHARING DATA

By submitting your customers' risk information, you help to:

- **Ensure Accurate Data for Credit and Risk Decisions**
  Credit and data providers need accurate data to assess risk and affordability. For this, they rely on bureau data to get a complete picture of a potential customer's credit profile which lists all their payment obligations and behaviour. Accurate data points gathered from a wide range of sectors – including traditional financial services sectors, as well as data providers such as the telecommunication and insurance sectors including subscription memberships – help create risk profiles that enable many previously unscorable consumers to receive responsible credit, affordable insurance or other services.

- **Identify Trends and Expand Potential Customer Bases**
  Secure, accurate, accessible data is key to preventing fraud and developing risk management policies and strategies. It also improves market segmentation and business growth. Your data helps create a 360-degree view of consumer behaviour, enabling more targeted marketing strategies and products to cater to a cross-section of credit and risk requirements.

- **Prevent Over-Indebtedness:**
  Comprehensive and up-to-date credit reporting helps prevent consumers from becoming over-indebted through reckless lending, promoting responsible lending.

- **Make Credit and other Financial Services and Products More Accessible:**
  By keeping your customer records up to date, you can help customers who have improved their payment behaviour get better credit scores, allowing them to access better credit terms in the future. This helps make credit as well as other financial services and products more accessible to responsible consumers.

HOW DOES SACRRA ASSIST WITH DATA SUBMISSIONS AND QUALITY MANAGEMENT

Through a Memorandum of Agreement signed between the NCR, CBA and SACRRA, SACRRA plays a central role in ensuring the smooth implementation of Regulation 19(13). We do this by:

1. **Assessing and Onboarding New Credit and Data Providers:** SACRRA conducts an assessment to determine whether a credit or data provider needs to submit data and then onboard those who need to submit.

2. **Ensuring secure data sharing:** SACRRA manages the Central Data Transmission Hub, a secure, encrypted system for submitting credit information to the six credit bureaus. This ensures that your data reaches all authorised credit bureaus efficiently and securely.

3. **Monitoring data quality:** SACRRA actively monitors the quality of the data submitted. Should any issues arise, SACRRA supports data contributors and bureaus in resolving them.

   Persistent problems are reported to the National Credit Regulator (NCR) for regulatory action. Both SACRRA and the Credit Bureau Association are obliged to report persistent data issues to the regulator.

4. **Providing guidance and support:** SACRRA offers step-by-step guidance through the onboarding and live submission processes. Whether you are new to the system or already compliant, a dedicated Portfolio Manager is here to help ensure that your data submissions are timely, accurate and compliant.

HOW DOES SACRRA ADD VALUE TO MEMBERS

In addition to dedicated Portfolio Managers, SACRRA has a set of tools to assist members to continuously monitor their data submissions and quality of their data. As a SACRRA member you will have access to the following support and tools:

RESOURCE/TOOL	BENEFITS	RESOURCE/TOOL	BENEFITS
DTH TRANSMISSION HUB	A tool to securely submit timestamped data contributor payment profiles to six bureaus once, using the **SACRRA** Data Specification.	**DSM** SPECIFICATION MATRIX	An advanced web application, replacing outdated paper specifications, with intuitive data management, layout updates, and intelligent search features.
SACRRA CONNECT	A dynamic member portal and database allowing member information updates, data quality dashboard access, and streamlined task management via a connected workflow engine.	**DMA** data MASTER APPLICATION	An independent rules engine with SACRRA file validation, enabling data contributors to test newly adjusted files for continued accuracy.
SACRRA SUPPORT STATION	This application is for SACRRA members and non-members to log a request that requires an action or response from the SACRRA Office. A ticket number is generated and responses are tracked until the request has been resolved.		

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The goal is to improve our stakeholder communication and support standards through better monitoring and management of stakeholder issues and requests.

Our SACRRA Support Station helps achieve this by facilitating:
- A transparent and comprehensive view of a ticket's communication history
- Prioritisation of requests
- Consolidation of all interactions with respect to an issue
- SLAs and escalations of requests
- Reporting facility to do trend analysis of issues
- A reduction in requests going unanswered
- Possible automation of similar type queries that will reduce query resolution timelines

HOW DOES THE ONBOARDING PROCESS WORK

The onboarding process involves preparing, testing, and getting ready to submit credit and risk data smoothly in accordance with the prescribed Data Format and any other directive issued by the NCR.

Develop a monthly and/or daily extract of customer data in accordance with SACRRA's data submission specifications.	Complete the Data Transmission Hub (DTH) take-on process with the SACRRA DTH service provider.	Obtain sign-off on the data extract and submission testing process with the credit bureaus and SACRRA.	Submit data via the DTH to the credit bureaus' databases, as prescribed.	Onboard and submit any paid-up judgment submissions in the CBA webform as prescribed.

HOW MUCH DOES IT COST

The assessment and annual fees that credit and data providers are required to pay to SACRRA are outlined in the NCR published Fee Guideline or as communicated annually by SACRRA. These fees are for the maintenance and usage of the data sharing infrastructure. Below are the prescripts regarding the fees:

- **Annual fees are mandatory** for, and apply to, all credit bureaus, credit providers and data providers who are being onboarded and those that are currently providing and submitting credit information to credit bureaus via the Data Transmission Hub, and for all authorised credit bureaus who receive credit information via the Data Transmission Hub.

- **A pro rata annual fee** will apply to a data contributor when commissioning the onboarding process after January of each year.

- **All annual or pro-rata annual fees** are payable within thirty (30) calendar days of the date of invoice.

- The fee payable by each credit or data provider is based on the annual turnover/net investment income of such entity.

- For the latest fees guideline, kindly visit our website at www.sacrra.org.za

HOW TO JOIN

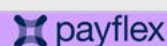|				
Contact SACRRA for help or information regarding the Data Reporting Requirements.	Complete an Assessment Form and submit it to us at sacrra@sacrra.org.za	Pay the Assessment Fee to SACRRA. For data and credit providers, the fee must be paid within 30 (thirty) calendar days of the invoice date.	SACRRA will assess whether your organisation is required to submit data. If so, an onboarding plan will be drawn up within the overall take-on schedule.	Engage with SACRRA to proceed with the necessary actions for the onboarding process.

ENDORSEMENTS

Proud members of SACRRA:

alBaraka Bank · Investec · miway · payflex · Pokkit