

Quality data is
to business what
quality water is to life



SACRRA | CREDIT & RISK
REPORTING ASSOCIATION

The value of data sharing = smart business and growth

A collective pool of good quality and standardised credit and risk data enables credit and service providers to make informed decisions when granting credit or financial services.

The reality is that credit and risk management is built into the modern economic infrastructure and responsible access to credit is dependent on sound risk and affordability assessment tools. Access to good quality data is essential to inform credit and risk assessments and also for the development of the tools which support responsible consumer lending and services, which is key to the growth of our economy.

There are many benefits of credit and risk information sharing to lenders, borrowers as well as the economy as a whole. These benefits include:

- The reduction of default rates and over-indebtedness of consumers;
- Assisting consumers who have no collateral to secure credit, which will result in the growth of formal financial market opportunities;
- Knowing that information on consumers' payment profile histories are available to financial service providers, can lead to better payment behaviour by borrowers. This could also increase their chances of future credit being granted or the ability to negotiate more favourable loan terms and interest rates; and
- Comprehensive data can inform scoring systems (combining data, analytics, modelling and software that provide additional and better insights into consumers' behaviour) that will allow for quick, automated, reliable lending decisions as credit and risk systems are integral to well-functioning credit and financial markets.

Contact Details

Telephone:

Enquiries & submission of
Assessment Forms:

Website:

Supporting documents available
on Regulation 19 (13):

SACRRA

087 701 3254

info@sacra.org.za

www.sacra.org.za

[www.sacra.org.za/
regulation-19-13.html](http://www.sacra.org.za/regulation-19-13.html)

National Credit Regulator

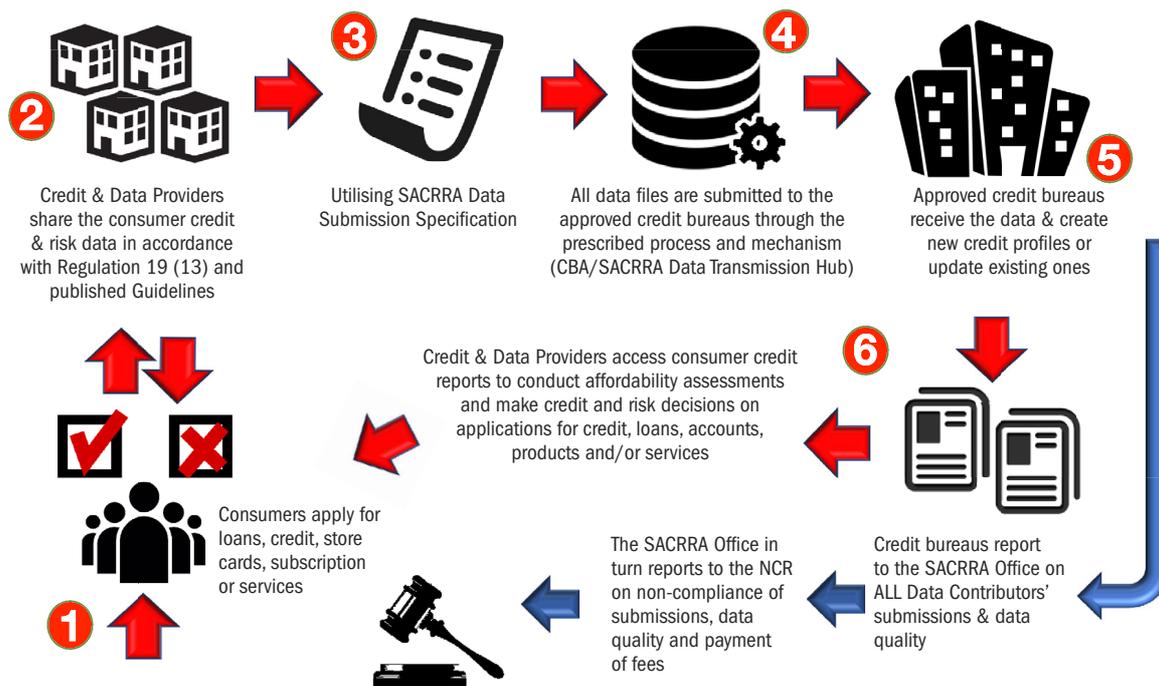
011 554 2600

www.ncr.org.za

[www.ncr.org.za/annual-reports/
2-uncategorised/221-guidelines](http://www.ncr.org.za/annual-reports/2-uncategorised/221-guidelines)



The flow of data in the live environment



Regulation 19 (13) and related Guidelines

The Guidelines to Regulation 19 (13) of the National Credit Act have made it compulsory for all registered credit providers including service providers that are not registered with the National Credit Regulator, but who use consumer credit and risk data, to report their customers' payment information to authorised credit bureaus.

The South African Credit and Risk Reporting Association's (SACRRA) Data Format and the SACRRA/Credit Bureau Association's (CBA) Data Transmission Hub must be used for the reporting of this payment information to the approved credit bureaus.

Memorandum of Agreement between the National Credit Regulator, CBA and SACRRA

Regulation 19(13) and subsequent guidelines were introduced as a means to have all monthly obligations reflected on consumers' credit profiles to ensure thorough affordability assessments can be undertaken using accurate, complete and up to date information to expedite proper credit and risk management.

The National Credit Regulator recognised that the SACRRA credit and risk data sharing environment and infrastructure has successfully been operational for many years and thus chose this environment, to enable Regulation 19(13) to eliminate unnecessary cost or complications impacting industry and consumers.

The National Credit Regulator entered into a Memorandum of Agreement with SACRRA and the Credit Bureau Association. The Memorandum of Agreement outlines the duties and responsibilities of all the parties to the agreement to ensure the successful implementation of this very important legislation. The Credit Bureau Association and SACRRA co-own the Data Transmission Hub, which is the prescribed "platform" for data submission and which ensures the data transmits to the approved bureaus at the same time.

Although the National Credit Regulator is utilising the SACRRA environment to manage the process and reporting of consumer credit and risk information, membership of the Association is not prescribed.

Part of SACRRA's obligations under the agreement with the National Credit Regulator will be to report on data quality, data submissions and the payment of prescribed fees of all parties who use consumer credit data, either as registrants of the National Credit Regulator, or as parties accessing under the reciprocity requirement of Regulation 19(13).

Compliance with the Regulations will be enforced by the National Credit Regulator and therefore data contributors who have not yet completed an assessment are encouraged to contact the SACRRA Office to do so as soon as possible.



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Who is SACRRA?

The South African Credit and Risk Reporting Association is a not-for-profit voluntary industry association that has facilitated and managed the sharing of quality payment information for nearly 30 years. We aim to give our data contributing members control of their data for them to comply with existing legislation and enable them to adapt to an ever-changing business environment.

The information that is shared is a monthly (or daily for new and closed accounts) update of all our data contributing member customers' loans, accounts, subscriptions policies or financial obligations.

The credit bureaus match this consumer credit and risk information to each individual consumer credit profile and maintain a history of how each account has been managed over a minimum period of the preceding 24 months.

This information is used by anyone who has a permitted purpose under the National Credit Act and with consumer consent (where necessary) to access credit bureau reports to conduct affordability, credit worthiness or risk assessments to make decisions on whether to grant new accounts, loans or extend additional credit or other financial products e.g. insurance and to manage collections strategies.

Although membership of SACRRA remains voluntary, the benefits of membership should be considered as they include support and assistance with initial development, regular Data Quality Assessments by dedicated Stakeholder Managers and access to a range of tools to manage and assist with the submission of quality data.

Data contributors who choose not to become members will only have access to the SACRRA Data Format and the CBA/SACRRA Data Transmission Hub. The Data Transmission Hub service provider is POPIA compliant and has relevant security standards in place which are monitored by the SACRRA Office. Besides the data-driven approach, having SACRRA as a support structure offers:

- Engagement with key stakeholders such as industry associations, the media, Government and the National Credit Regulator on matters of direct interest and concern to credit and risk data;
- A growing membership includes many major companies and groups, which, as a combined force, have a powerful voice regarding credit and risk data and related matters;
- Having to uphold SACRRA's Constitution can assist members in reinforcing their standing and integrity with consumers, consumer bodies, Government and regulators across a range of aspects related to data; and
- Access to a team focussed on ensuring that quality data is shared and a single point of contact for support with data compliance issues.

The process

The Guidelines to Regulation 19(13) require all credit providers registered with the National Credit Regulator, and data providers that access payment profile information (collectively referred to as 'data contributors'), to undergo assessments to determine firstly if compliance with the regulations is necessary (certain credit transactions are excluded from Regulation 19(13)) and secondly, should compliance be necessary, the timing of the development and processes to comply, need to commence.

The assessment entails:

This assessment requires the completion and submission of the specified Assessment Form to the SACRRA Office to:

- confirming whether the data contributor needs to be a provider of consumer credit information and needs to submit data to the approved credit bureaus;
- establishing the volume and frequency of credit information to be submitted to the credit bureaus; and
- allowing the SACRRA Office to determine, with the data contributor, the on-boarding timetable in accordance with the overall "Data Submission Format Development and Readiness" schedule.

What to do now?

Complete the Assessment Form and submit it to info@sacrra.org.za:



Contact the SACRRA Office to discuss or query any issues you may have in regard to the Data Reporting Requirements



Complete an Assessment Form and submit to the SACRRA Office



Pay the Assessment Fee to SACRRA



The SACRRA Office will conduct an assessment of your organisation's need (or otherwise) to submit data and will, if needed, determine the data take-on plan for your organisation within the overall take-on schedule



Engage with the SACRRA Office to proceed with the necessary actions for the take-on process

What will be required once the on-boarding timeline has been determined?



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



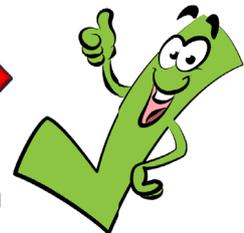
Data Contributors will need to do the Data Transmission Hub take-on process with the SACRRA DTH service provider



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, as prescribed



'On-boarding' means the process whereby a credit or data provider develops the data submission extract in line with the Data Format. This includes undergoing the Data Transmission Hub activation process, testing the development of the data extract, and the sign-off from the SACRRA Office.

Data contributors should refer to the Guidelines on Regulation 19(13) for on-boarding deadlines which will be published by the National Credit Regulator from time to time. This is to stay abreast with legal requirements in terms of Regulation 19(13) compliance.

The process of addressing and reporting data quality issues

In terms of SACRRA's obligations in the Memorandum of Agreement with the National Credit Regulator, certain data quality issues need to be reported to the National Credit Regulator. Should any data quality concerns arise (e.g. non-submission of data, the duplication of information, high rejection rates or other data errors) the data contributor may be responsible for the remedial action required. The credit bureaus will report data quality issues on both SACRRA and non-SACRRA members to the SACRRA Office as part of the Data Quality Assessment process. This will enable the SACRRA Office to report non-compliant entities to the National Credit Regulator.

The SACRRA Office will engage our members directly on their data quality issues and will work with them towards resolving these, but non-SACRRA members will be responsible for monitoring and resolving their own data quality issues across the six hosting credit bureaus.

Should there be severe data quality issues, the SACRRA Office will issue notifications to SACRRA members to alert users of credit bureau data of possible challenges within the data being accessed.