

Central credit info system to help PH for Asean integration

BY JIMMY C. CALAPATI

HAVING a centralized credit information system will help the country gain wider access and seize opportunities from the upcoming Asean economic integration, according to the Credit Information Corporation.

The government-owned and -controlled corporation was mandated by law under Republic Act 9510 to collect data from all types of banks, insurance companies, credit card issuers, cooperatives, microfinance institutions and other institutions that extend credit.

It is envisioned to serve as the leading provider of independent, reliable and accurate credit information in the country to address the credit information gap.

The CiC, which is 60-percent owned by the government with the remaining stake held by the private sector, intends to complete building a credit reporting and database infrastructure by late 2014.

By gaining access to CiC's database, these so-called "submitting entities" will be able to enhance their knowledge of the borrower's credit history and better manage cases of multiple borrowings and over-indebtedness.

Jaime Garchitorena, CiC officer-in-charge and president, said the CiC will play a huge role in providing information, in a reciprocal manner, with credit bureaus in the Asean.

"The Asean integration is expected to pave the way for the free movement of skilled labor and business ventures across borders," Garchitorena said.

He said accurate credit information will enable entrepreneurs and businesses to quickly financially integrate into their new environments as they find available credit based on their credit history in the Philippines.

To help make the country Asean integration-ready, the CiC is implementing the Credit Information System Project, in accordance with its mandate under



At the ceremonial signing of the agreement yesterday are (left to right, seated in photo) TIM Corp. chairman Jose Mari M. Antunez, CiC officer-in-charge and president Jaime Garchitorena, CRIF Credit Bureau Services General Manager Enrico Lodi, Securities and Exchange Commission and concurrent CiC chairperson Teresita Herbosa,

and Italian Embassy Ambassador Massimo Roscigno. Witnessing the contract signing were (standing, left to right) Antony Lythgoe, IFC Finance and Market Head; and Bangko Sentral ng Pilipinas Managing Director for the Supervision and Examination Sector Leny Sylvestre.

Republic Act 9510 (Credit Information System Act).

The project is a major undertaking of the CiC, alongside International Finance Corporation (IFC), a member of the World Bank Group in its advisory capacity and in partnership with the Swiss State Secretariat for Economic Affairs, and the Department of Foreign Affairs, Trade and Development Canada, as well as the Japan Ministry of Finance.

Yesterday, the CiC has declared and awarded to TIM-CRIF joint venture implementation and operationalization of the program.

CRIF is a global solutions provider operating in four continents and supporting more than 3,100 banks and financial institutions and 25,000 companies.

Garchitorena said the company was selected on the basis of its track record in the design, development and management of credit bureaus worldwide, such as in Vietnam, Indonesia, India, Bangladesh, Russia, Tajikistan, Italy, the Czech and Slovak Republics, Jamaica, Morocco and Benin.

He said as the highest-rated responsive bidder and technical provider, CRIF, in partnership with local system integrator TIM Corporation, will provide the technology platform and operational support to the CiC for two years from the initial project implementation.

Enrico Lodi, General Manager of Credit Bureau Services at CRIF, said they believe the CiC will become "a benchmark model

for the Asia-Pacific region."

"As CRIF has already experienced in other countries, the improvement of the financial inclusion and the evolution of the financial sector depends heavily on the availability of effective information systems which streamline risk management and facilitate access to credit, supporting the financial needs of businesses and consumers," Lodi said.

Garchitorena also said both the government and the private sector entities have infused in full the capitalization for CiC—P75 million from the government and P50 million from the private sector.

CiC is 60-percent owned by the government, and 40-percent owned by the private sector. The private sector ownership is composed of the Philippine Cooperatives Center (PCC), Bankers Association of the Philippines (BAP), Credit Card Association of the Philippines (CCAP), Chamber of Thrift Banks (CTB), Rural Bankers Association of the Philippines (RBAP), and the Philippine Credit Reporting Alliance (Philcrea).

Garchitorena added, as provided in the law, that CiC will be privatized by 2016, 5 years after the first board meeting in 2012.

Aside from financial institutions, Garchitorena said they are currently in talks with Pag-ibig and the Social Security System for the possibility of the 2 becoming "submitting entities."