

Credit bureau to boost financial sector

By Nguyen Trang

A world-class private credit bureau is to enter Vietnam through a legal corridor that has taken shape over the last two years.

The Vietnam Credit Information Joint Stock Company (PCB) last week announced that after years of preparation it has applied to the State Bank to licence the country's first private credit bureau.

CRIF, a leading credit bureau in Italy, is PCB's strategic partner with a 24.73 per cent stake in the bureau.

PCB director Nguyen Duc Ngoc said the centre would be a trusted credit bureau for credit institutions

seeking risk governance support.

"The bureau will help individuals, small businesses and the private sector gain access to credit. It will be a new middleman between lenders and borrowers and help make the credit information service market more competitive," he added.

Private credit information services is regulated under the government's Decree 10/2010/ND-CP which took effect on April 15, 2010. Accordingly, to acquire a licence to engage in private credit information services, a company must have adequate IT infrastructure and charter capital of at least VND30 billion (\$1.57 million). It must also obtain a commitment from at least 20 com-

mercial banks that they will feed all of their credit data to that one credit bureau.

Private credit bureaus are allowed to make contracts with organisations and individuals to share credit related information with their counterparts and to charge for their services and products.

PCB signed commitments with 24 commercial banks, including BIDV, Vietcombank, VietinBank, ACB, Techcombank, VIB, DongA Bank, VPBank, ABBank, VPBank, SCB and other foreign commercial banks.

Dao and Associates lawyer Dao Ngoc Chuyen said private credit bureaus would insure the transmission of information between banks and customers and that would keep credit activities safe and minimise credit risks.

Currently, the State Bank's Credit Information Centre provides information services on demand in addition to serving as an information intermediary between credit organisations.

"Together with the Credit Information Centre, private credit bureaus will help ease the State Bank's burden of managing activities of credit organisations. With reliable and timely information, the bureau will assist the State Bank to make reasonable monetary policies and solve unexpected problems related to credit activities," Chuyen said. ■