

## **CNM-CAL is the second credit bureau that has been licensed to operate in Jamaica**

The Minister of Finance & Planning has today issued a licence under the Credit Reporting Act to CRIF NM Credit Assure Limited (CNM-CAL).

CNM-CAL is a joint venture between ILLUMINAT Jamaica Limited, a wholly owned indirect subsidiary of Neal and Massy Holdings Limited, a Caribbean mixed conglomerate, and CRIF S.p.A., an Italian registered entity which provides credit information and related value added services in several European jurisdictions.

The Minister of Finance has specified a period of 12 months for CNM-CAL to commence operations. During this period it is anticipated that the credit bureau will establish reporting relationships with eligible credit information providers and complete the setup of operations. Eligible credit information providers include commercial and merchant banks, building societies, credit unions, insurance companies, the Students Loan Bureau and hire purchase companies among other lending entities prescribed under the Credit Reporting Act.

The Bank of Jamaica is the designated “Supervising Authority” under the Credit Reporting Act and is charged with reviewing applications and making recommendation to the Minister of Finance. In reviewing applications, the Bank of Jamaica gives consideration to criteria prescribed under the Credit Reporting Act, most notably minimum capital requirements, fitness and propriety of proposed principals, and the adequacy of systems and arrangements to undertake credit reporting services, inclusive of proposed IT infrastructure and corporate governance frameworks.

CNM-CAL is the second credit bureau that has been licensed to operate in Jamaica, Creditinfo Jamaica Limited having been issued a license during the first week of March 2012.

The credit reporting framework will allow a licensed credit bureau to collect information on a borrower’s credit history from lenders and other relevant credit information sources, and provide that information, for a fee, to prospective lenders who comprise eligible credit information providers. Information from these lenders can only be accessed from a credit bureau by a prospective lender with the consent of the consumer to whom the information pertains.

Information acquired from a credit bureau can assist lenders to better assess the creditworthiness of customers and to offer more competitively priced credit facilities with more efficient processing times. This should provide improved access to credit for persons with good credit histories and facilitate improved productivity . In the longer run credit bureaus should result in fewer non-performing loans and further strengthening of individual entities and the overall financial system to the benefit of Jamaica’s long term development.