



**34rd Session of the Standing Committee for Economic and Commercial
Cooperation of the Organization of Islamic Cooperation (COMCEC)**

INTERIM REPORT & BUSINESS CASE

for

**COMCEC's Business Intelligence Center (CBIC)
to support the private and public stakeholders in their
Business Strategic Decisions**

COMCEC's Follow Up Committee

Ankara
09-10 May 2018

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List of Abbreviations

COMCEC	The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation
DMAI	Destination Marketing Association International
DMO	Destination Management Organization
KPIs	Key Performance Indicators
ITC	International Trade Center
NTO	National Tourism Organization
OIC	The Organization of Islamic Cooperation
UNWTO	The World Tourism Organization

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1 Preamble

- The CBIC's concept note was officially endorsed during 33rd Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC), by the Senior Officials and Ministers of Trade (19-24 November 2017. Istanbul, Turkey).
- Under the COMCEC's umbrella, ICIEC was to submit an interim-report to the COMCEC Follow Up Committee so to set up a COMCEC Business Intelligence Centre with a possibility to create regional offices of CBIC where it is deemed, so to globally and mutually respond to the need to have an appropriate function that addresses the deficiencies in terms of lack of reliable, predictable and strategic BI. The CBIC will among other strategic functions will provide countries and members with credit risk reports on the buyers and in the future explore the possibility to set up an OIC Rating Agency.
- Following is an interim-report on the business case for establishing the CBIC, upon approval, a full report is to be submitted in Nov. 2018.

2 Introduction

- The nature of the business in the banking and export credit insurance industries is tremendously changing and the volume of transactions has been growing hastily. Businesses realize that in this very competitive, fast paced and ever-changing business environment, a key competitive factor is how quickly they respond and adapt to change.
- Information is often regarded as the second most important resource a company has (a company's most valuable assets are its people). Therefore, when a company can make decisions based on timely and accurate information, the firm can improve its competitiveness by delivering products and services in a less risky and more predictable manners. The Credit Information is essential for the well-functioning of the economic and financial markets. It can reduce the default by providing real-time information of the borrowers (existing debt, credit lines with the banks, repayment difficulties, ect).
- According to the McKinsey&Company¹, “across most of Africa and in some counties in Asia and Latin America, the credit bureau can be a key enabler for expanding lending business, because it distributes information about the payment behavior of consumers and commercial entities. Despite advantages of a national credit bureau, many developing countries either do not have them at all or have low-performing bureaus with extremely service coverage”.
- While the Credit Information remain the vehicle of gathering and distributing reliable credit information; from collecting data from a different sources on corporate entities or individuals , consolidates it into credit profiles, its role remain far from filling the gap in terms of strategic decision making intelligence information.
- In the case of the OIC’s Market of Credit information, it remains generally underdeveloped with the lowest levels of credit penetration in the world. Twenty-five countries of the OIC are in the Least Developed countries² and share a number of weaknesses such as high informal economy, nearly 50% in some cases, low use of technology and communications, educational challenges, weak legal framework, low financial capacity and weak intermediation, among others

¹ “The National credit bureau: A key enabler of financial infrastructure and lending in developing economies” 2009

² . Islamic Development Bank, statistical Monograph no.35, 2015, page 117

- Therefore, centralized updated and accurate Business Intelligent Information reports can provide the right tool for decision-makers. Business Intelligence enables them to use information gathered quickly and constantly remain proactive with the less damage for the interests of the MCs.
- The scarcity of reliable credit information in OIC member countries is a major obstacle to both financing institutions and credit/insurance providing entities. It is confirmed by different experts that a good credit information would lead to a high economic growth, as it will facilitate trade and investments locally and internationally.
- A competitive advantage can be achieved once organizations can directly correlate historical events with potential future events. This correlation can only be supported with organizational capabilities that can translate the information needs and align with respective technology solutions.
- As industry markets become more competitive, aligning strategic and business goals with the related technology investments only becomes too clear an objective.
- Organizations find challenges in developing the right assertions from information and data because they have not developed an integrated and governed capability to support the lifecycle of information. All too often, we find disparate tracks and efforts that do not translate to a more coherent and organized effort to truly utilize information and data and make informed decisions.
- The CBIC will among other issues, will tackle the setting up legal framework that governs the collection, treatment and sharing of Business Information with its main public and private stakeholders and customers. It will also provide an architecture including well-conceived executive dashboards, user-friendly ad hoc capabilities, and forward-looking predictive analytics.

3 Market Analysis

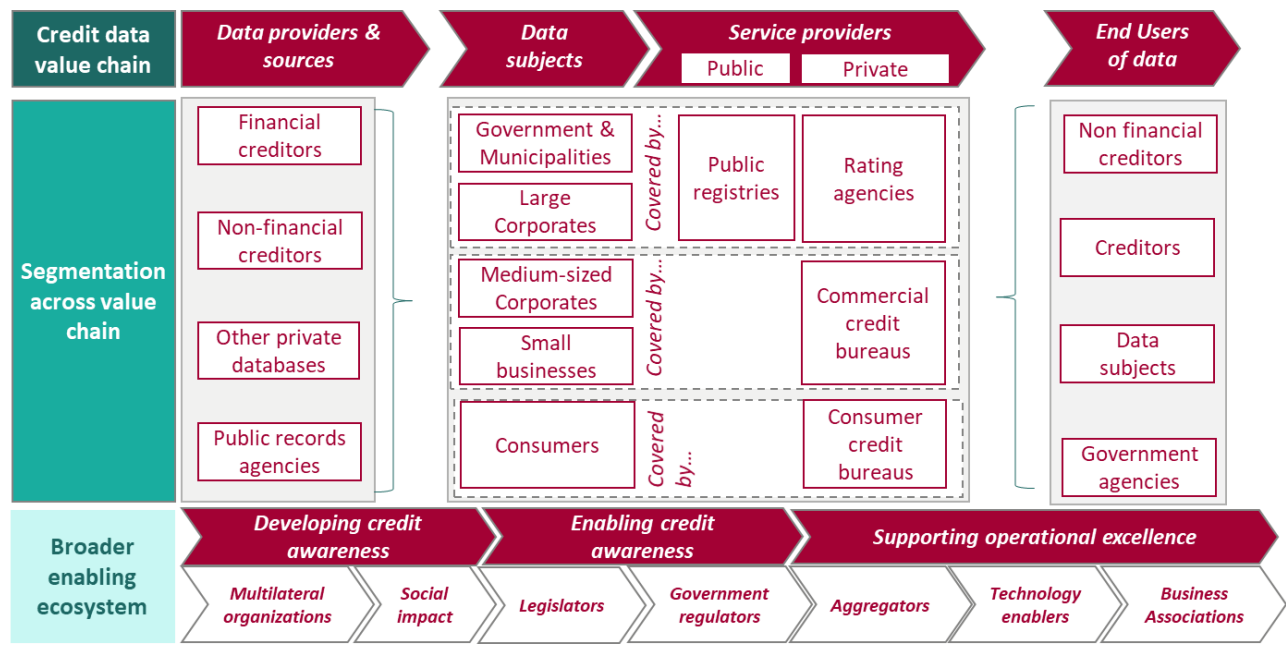
a) Global Ecosystem & Impact

This section covers an overview of the global credit reporting and value-added service ecosystem, their economic impact, regional adoption, key players, ownership structures, select case studies, and a summary of best-practices considerations.

Global Credit Ecosystem: Credit reporting is considered a fundamental pillar of financial stability within an economy, alleviating the information asymmetry between borrowers and lenders, and enabling efficient, low-cost lending. The absence of credit reporting systems limits credit, and substantially raises the cost of financing.³

The core drivers of credit reporting, as shown in the following diagram, are the service providers, that collect data on subjects from various sources, and provide them to end users, to facilitate effective credit decisions.

Diagram: Global credit reporting ecosystem



Source: World Bank⁴, IFC⁵, DinarStandard analysis and synthesis

³ <http://pubdocs.worldbank.org/en/954571479312890728/CR-2016-role-credit-reporting-in-supporting-financial-regulation.pdf>

⁴ http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Credit_Reporting_text.pdf

⁵ http://www.whcri.org/PDF/2004-Workshop-MX-ppt-The_Importance_of_Credit_Bureaus.pdf

Table: Summary of key ecosystem segments

<i>Value chain segment</i>	<i>Description</i>	<i>Individual stakeholders</i>	<i>Description</i>	<i>Key Examples</i>
Data providers and sources	Data providers are creditors and other entities that proactively and in a structured fashion supply information to credit reporting service providers.	Financial creditors	Institutions offering financial products, including banks, loan providers, and microfinance institutions	Royal Bank of Scotland
		Non-financial creditors	Other types of credits including utilities and merchant traders	National Grid; Verizon
		Other database providers	Collect and store specific pieces of information on data subjects, such as rent payments or mortgage borrowing	DataVision
		Public records agencies	Publicly available information made available through government-linked activities, such as drivers or criminal records	Department of Motor Vehicles
Data subjects	A data subject is an individual or a business whose data could be collected, processed, and disclosed to third parties in a credit reporting system. They are the subjects on whom lenders wish to assess the risks of default and nonpayment	Government & Municipalities	Federal governments or local municipalities seeking to enter into financing arrangements	U.S. Treasury
		Large corporates	Multinationals or scaled enterprises that seek credit or engage with various commercial stakeholders, with 100 employees or more	Cargill; Unilever
		Medium-sized corporates	Largely domestic businesses, with some possible trading activity, with less than 100 employees	Bareburger
		Small businesses	Largely domestic and localized businesses with less than 20 employees, but could also include startups	
		Consumers	Individuals that are seeking to enter into a contractual or financing arrangement	
Service providers	Entity administering a networked credit information exchange, enabling credit information collection, processing, and further disclosure to users of data, as well as value-added services	Public registries	A Public Credit Registry (PCR) is a central database of individuals and companies with current information on repayment history, unpaid debts, or credit outstanding.	Reserve Bank of India
		Ratings agencies	A credit rating agency evaluates a debtor's ability to pay back debt by making timely interest payments and their likelihood of defaulting. An agency may rate the creditworthiness of issuers of debt obligations, of debt instruments, and of the servicers of the underlying debt.	Standard and Poor's (S&P) Moody's

	based on such data.2	Commercial bureaus	Commercial credit bureaus compile business background information, financial information, banking/trade and collection history to report risk scores and manage credit risk and business forecasting.	Dun and Bradstreet Experian
		Consumer credit bureaus	Consumer credit bureaus compile credit profiles on individuals based on past and current credit activities and generate credit scores, which lenders use as a measure of credit worthiness.	Equifax TransUnion
End users of data	An individual or business that requests credit reports, files or other related services from credit reporting service providers, typically under predefined conditions and rules	Financial credits	Institutions offering financial products, including banks, loan providers, and microfinance institutions	Royal Bank of Scotland
		Non-financial creditors	Other types of credits including utilities, telecoms providers, landlords and merchant traders	National Grid; Verizon
		Data subjects	Individuals or businesses whose data is being collected, stored and distributed	
		Government agencies	Various government representatives that may need to assess users for various reasons – tax authorities and judges	IRS
Ecosystem enablers	Broader group of stakeholders that make the efficient operation of CSRPs possible, and ensure the positive economic and social impact on the users and subjects are maximized	Multilateral organizations	Support governments around the world is establishing sound credit reporting infrastructure, providing general principles	World Bank; International Finance Corporation
		Social impact	Actively supports disadvantaged entrepreneurs and consumers, usually characterized by low incomes, access the financial system and develop creditworthy credentials	Firstaccess
		Legislators	Develop laws governing the responsible use and protection of data gathered	Congress (U.S.)
		Government regulators	Regulators have the authority with statutory powers of supervision over credit reporting activities and services. Statutory powers may include the power to issue licenses and to create operational rules and regulations	Federal Reserve Bank
		Aggregators	Package data from multiple CSRPs, supplemented by additional sources, such as news and in-house analysis, to enable users to assess data subjects in a customized manner	Bloomberg
		Technology enablers	Develop the platforms used to collect, safely store and disseminate information	Oracle

		Business Associations	Forums for credit bureaus and industry practitioners to collectively raise issues, sign mutual commitments and develop best practices	Associate of Consumer Credit Associations Suppliers (Europe), Consumer Data Industry Association (U.S.)
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Source: World Bank⁶, IFC⁷, DinarStandard analysis and synthesis

Economic Impact: Credit information systems boost lending by up to 50% of GDP, reduce costs substantially and can financially assimilate the 2 billion unbanked, with an observable impact on FDI.

Effective credit reporting systems have been empirically shown to increase private sector lending by as much as 47.5% of GDP according to an authoritative empirical study of 129 countries, undertaken by the World Bank and Harvard University.⁸ This impact serves as a baseline for developing countries, excluding the most advanced countries, such as the U.S. and UK that have advanced ecosystems for credit.

Other studies have shown that the availability of full credit information can increase lending volumes by 11%, based on empirical evidence in the U.S⁹, and reduce the rates of non-performing loans by 7.75 percentage points., based on empirical evidence in Latin America.¹⁰

Furthermore, credit registry systems have an important impact on attracting FDI, making available critical information to potential international investors and financiers. Being a critical component of financial market development, a robust econometric study of the impact of financial market development across 29 emerging economies between 1994 and 2006 found a very high 97% correlation between Foreign Direct Investment and Financial Market Development.¹¹

⁶ http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Credit_Reporting_text.pdf

⁷ http://www.whcri.org/PDF/2004-Workshop-MX-ppt-The_Importance_of_Credit_Bureaus.pdf

⁸ Simeon Djankov, Caralee McLiesh, Andrei Shleifer, —Private Credit in 129 Countries

⁹ https://www.transunion.com/docs/interstitial/TransUnion_WhitePaper_CreditScoring.pdf

¹⁰ <https://www.oecd.org/sti/ieconomy/46968830.pdf>

¹¹ “Causality between FDI and Financial Market Development: Evidence From Emerging Markets”, World Bank, 2014

The continued development and uptake of credit reporting systems worldwide is an important objective that can further increase financial inclusion, helping incorporate the 2 billion unbanked adults that remain in the world today, accounting for 31% of the adult global population.¹²

Role in trade: Despite the existence of global credit bureaus, the sharing of information cross-border is limited to large and medium sized companies. Data sharing across borders is needed, but in practice, does not occur in a standardized manner, limited by variances in data protection laws and the lack of standardized requirements.¹³

Trade finance was estimated at \$12.3 trillion globally in 2016, and is projected to grow to \$14.8 trillion by 2020, at a CAGR of 3.7%, with bank financing accounting for only 35% of transactions, with the balance addressed largely through open credit arrangements between buyer and seller (accounting for 45% of total financing), and direct cash payments (accounting for 20% of financing).¹⁴

In reality, in conducting due diligence, international trading partners reference databases provided by aggregators such as Bloomberg and Hoovers, as well as information made available for rating agencies, heavily supplemented by custom due diligence performed by users on data subjects. The existence of export credit agencies also plays a key role in mitigating losses and reducing the cost of information asymmetry between trading partners.

Cross-border credit intelligence: Several regional efforts have sought to facilitate cross-border information sharing, which is encouraged by the World Bank:

- A “hub and spoke” model exists across Central America, operated by TransUnion Central America, with a hub in Guatemala, and supported by regional spokes in Honduras, El Salvador, Costa Rica, and Nicaragua (see case study). The operation covers a population of over 40 million people, with information stored in silos for each country, and provides efficient distribution of essential credit information to

¹² “Findex Financial Inclusion”, 2017, World Bank

¹³ “General principles for credit report”, 2011, World Bank

¹⁴ “Shariah compliant trade financing”, Salaam Gateway and DinarStandard, 2017

users across all countries. The existence of a single entity has made provision of credit information economically feasible and has also served to facilitate trade.¹⁵

- The Hub & Spokes model is optimal for smaller markets where establishing individual CRSPs would not be economically viable. Under the Hub & Spokes structure, a single, internationally operating CRSP is set up to serve multiple small markets.¹⁶
- In EU, the central banks of countries with credit registries, signed a memorandum of understanding enabling the limited transfer of data on data subjects between those countries, to facilitate the extension of credit¹⁷
- According to the IFC, in order for cross border data flows to be facilitated, certain preconditions should be fulfilled, such as a demonstrated need for such data flows based on the existence of strong financial and economic integration of the relevant markets, national-level policies for financial integration, small size of markets, and the economic viability of setting up systems that enable such cross-border data flows

State of Global Adoption: World-wide, 154 economies had credit information service providers globally in 2015, led by the OECD, but evidently 31 did not have a credit information infrastructure, a notable gap

According to the World Bank's Doing Business Report 2015, 154 economies out of 189 surveyed have either a credit registry or bureau, with 31 not having either, and 4 not providing information¹⁸, with the number of credit rating agencies exceeding 75 globally.¹⁹

The following observations can be made about the regional variations in credit information coverage, referencing the below diagram:

¹⁵ 'Credit Reporting Knowledge Guide', IFC, 2011

¹⁶ Credit Reporting Knowledge Guide - IFC

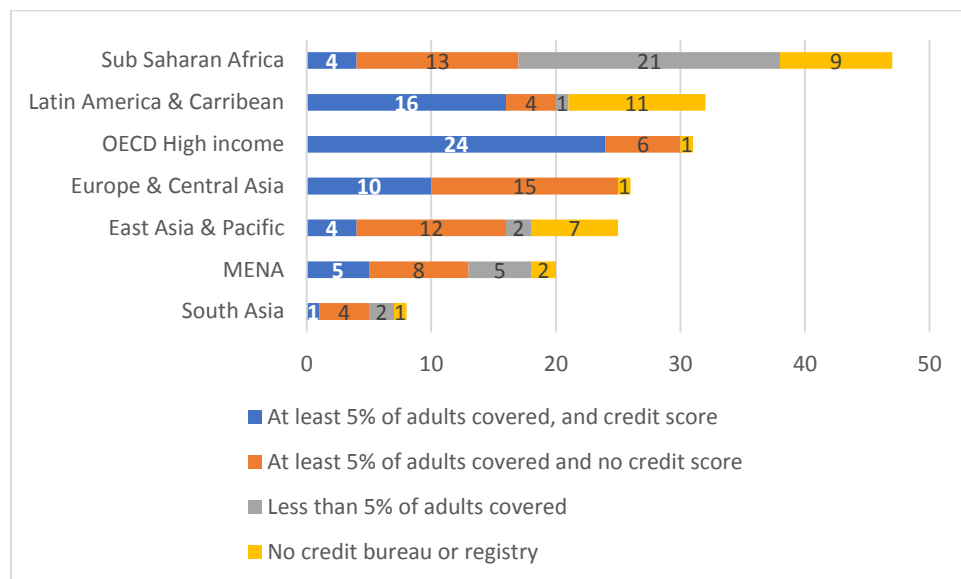
¹⁷ European Central Bank Archives, https://www.ecb.europa.eu/press/pr/date/2003/html/pr030310_2.en.html, accessed on 26th April 2018

¹⁸ Doing Business 2015

¹⁹ Validated through looking at http://www.defaultrisk.com/rating_agencies.htm, and verifying broad accuracy of the list

- 64 of the 154 economies had the strongest credit reporting systems in place, with both strong coverage and credit scoring capabilities, led by the OECD member nations
- 93 of the 154 economies had credit reporting systems that were below par, either lacking coverage, scoring capabilities or both, and in need of substantial support
- The largest gap in basic credit reporting infrastructure is observable in Sub Saharan Africa and Latin America, accounting for 20 of the 31 economies without bureaus

Chart: Number of economies with credit rating bureaus or registries, 2015



Source: *Doing Business 2015*²⁰

The continued development of credit report systems has been led by the World Bank that has published Guidelines on Credit Report Systems, and the International Finance Corporation through its Credit Bureau advisory team.²¹

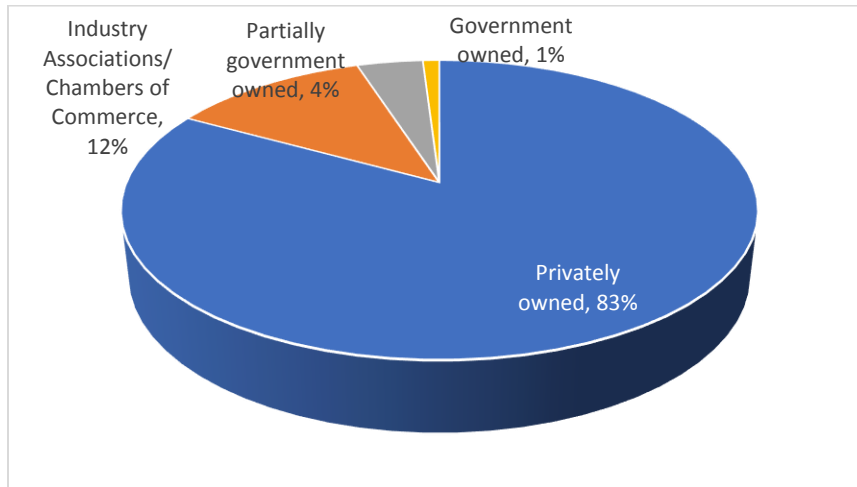
Ownership Structures: While public credit registries are publicly funded, oftentimes operated by central banks, credit bureaus around the world are primarily privately owned, enabling them to innovate and provide a deeper range of services to the industry.²²

²⁰ Validated through looking at http://www.defaultrisk.com/rating_agencies.htm, and verifying broad accuracy of the list

²¹ IFC Credit Reporting Knowledge Guide

²² IBID

Chart: Ownership structure of credit bureaus



Source: IFC²³

According to the Doing Business survey data, 54 of 106 credit bureaus in 100 countries around the world, 39 percent were owned by banks, financial institutions, or credit card providers; 12 percent were held by industry associations or chambers of commerce; and only 4 percent were partially held by governments.²⁴

Leading service providers: The leading credit intelligence entities globally are Dun and Bradstreet and Equifax.

Table: Leading entities

Name	Service Provider Type (Public registry, ratings agency, commercial bureau, consumer credit bureau)	Subject (SMEs, Large Corporates, Consumers)	HQ	Geographic Scope	#. of Employee	Services			
						Customer Relationship	New Business	Collections	Prospecting
Dun and Bradstreet	Commercial Bureau	SMEs	United States	Global – 80 Countries; Americas Europe Middle East Africa Asia Oceania	4,900	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equifax, Inc.	Consumer credit bureau	Consumers	United States	Global – 24 Countries; Americas, Europe Asia Pacific	10,300	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Experian	Commercial bureaus	SMEs	Ireland	Global – 42 Countries; Americas Europe	15,587	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

²³ IBID

²⁴ IBID

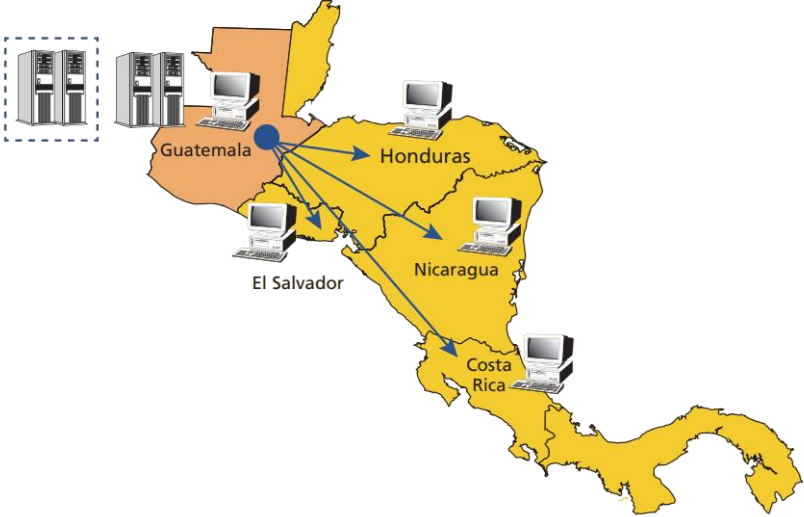
				Middle East Africa Asia Pacific					
TransUnion	Consumer credit bureau	Consumers	United States	Global – 30 countries; Americas Europe Middle East Africa Asia Pacific	4,700	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graydon	Consumer credit bureau	Consumers	Netherlands	3 Countries in Europe (United Kingdom, Netherlands, Belgium)	324	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sinotrust	Consumer credit bureau	Consumers	China	China only	800	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Credit.net (Infogroup)	Commercial bureaus	SMEs	United States	Americas	~3,200 *(Infogroup total)	<input type="checkbox"/>		<input type="checkbox"/>	
CreditInfo	Consumer credit bureau	Consumers	Iceland	Global – 28 countries; Americas Europe Middle East Africa	400	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Creditsafe	Commercial bureaus	SMEs	United Kingdom	Global – 12 countries; Americas Europe Asia Pacific	1,200	<input type="checkbox"/>		<input type="checkbox"/>	
Standard & Poor's (S&P)	Credit rating agency	Corporates	United States	Global – 30 countries; Americas Europe Asia Pacific Middle East Africa	20,000	<input type="checkbox"/>			
Fitch Group	Credit rating agency	Corporates	United States & United Kingdom	Global – 30 countries; Americas Europe Asia Pacific Middle East Africa	2,000	<input type="checkbox"/>			
Moody's	Credit rating agency	Corporates	United States	Global – 30 countries; Americas Europe Asia Pacific Middle East Africa	10,600	<input type="checkbox"/>			

Global Case studies: Below are select case studies of leading global enterprises in the business growth and risk intelligence.

Dun and Bradstreet (United States)	
Core activities	<p>Dun and Bradstreet provides commercial data, analytics, and insights for businesses</p> <ul style="list-style-type: none"> The company provides credit and risk management products including D&B Direct (online subscription credit risk solution), DNBi Risk Management (online subscription credit

	<p>rules and policy automation), CreditSignal (credit score and rating alerts), Credit Builder (credit monitoring), Business Information Report (detailed company reports), and Small Business Finance Exchange (small business data solution)</p> <ul style="list-style-type: none"> • The company’s marketing and sales solutions including D&B Hoovers (sales acceleration platform), D&B Optimizer for Marketing (cloud platform to target audiences), and D&B Market Insight (data analysis and visualization tool) • The company’s analytics and master data solutions including D&B Data Exchange (data tool) • Other products include D&B Direct for Supply (supplier data and analytics), D&B Onboard (information and research tool), and Beneficial Ownership (compliance platform)
Scale and growth	<ul style="list-style-type: none"> • Dun and Bradstreet has a database of 285 million commercial entities and 100 million associated contacts
Countries served	<ul style="list-style-type: none"> • Global • Americas (8) • Europe (33) • Middle East (13) • Africa (2) • Asia (22) • Oceania (2)
Profitability	<ul style="list-style-type: none"> • Dun and Bradstreet’s revenue grew from \$1.58 billion in 2014 by 3.3% CAGR to \$1.74 Billion in 2017 • Gross Income was an estimated \$1.0 billion in 2014 and grew by 2.9% CAGR to \$1.09 billion in 2017
Key learnings	Dun and Bradstreet is a public company listed on the New York Stock Exchange that offers information on commercial credit as well as data

	<p>and reports on businesses globally. The company is recognized for its Data Universal Number System (D.U.N.S.) that generates business credit profiles and information reports on 285 million commercial entities.</p>
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TransUnion – Central America	
<p>Core activities</p>	<p>TransUnion Central America is a significant credit information and analytics provider in Central and Latin America through partnerships and acquisitions. The company maintains credit bureau files for millions of Central and Latin America consumers and provides business intelligence solutions for financial, commercial and industrial markets.</p> <p>Figure B5.2.1: Hub & Spokes Model in Central America</p>  <p><i>Source: Credit Reporting Knowledge Guide - IFC</i></p>
<p>Countries served</p>	<ul style="list-style-type: none"> • TransUnion Central America currently serves Costa Rica, Guatemala, El Salvador, Honduras, Nicaragua, Chile,

	Colombia, Dominican Republic, Puerto Rico and Trinidad & Tobago.
Profitability	<ul style="list-style-type: none"> • TransUnion’s revenue grew from \$1.3 billion in 2014 by 14.1% CAGR to \$1.93 Billion in 2017 • Gross Income was an estimated \$574.6 million in 2014 and grew by 22.3% CAGR to \$1.05 billion in 2017
Key learnings	TransUnion has become a key part of the Central American region by developing as a shareholder in local bureaus, establishing state-of-the-art data centers and expanding activities across Central American countries.

b) OIC Ecosystem & Impact

Overview: The OIC credit ecosystem falls substantially below the OECD benchmark in terms of private credit bureau population coverage, with greater reliance on limited scope public registries.

The 57 Muslim-majority countries are set to exhibit strong economic growth, growing by 6.2 percent between 2016 and 2022, representing 1.6 times the G7, and accounting for 15.3 percent of the global economy in 2016.²⁵

Credit reporting, however, is a critical need in supporting the elimination of poverty in the region, given that the OIC region represents a disproportionate amount of the world’s Least Developed Countries, accounting for 13 of the 45 LDCs.²⁶

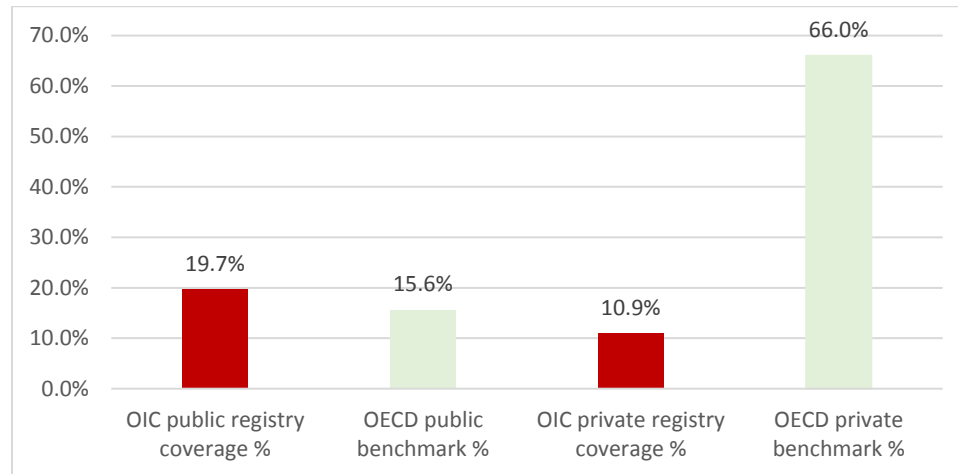
The OIC regions’ overall credit information systems fall below global benchmarks, with private registry coverage at only 11% of the adult population in 2016, relative to 66%

²⁵ International Monetary Fund 2017, World Economic Outlook

²⁶ DARA, Climate Vulnerability Monitor: A Guide to the Cold Calculus of a Hot Planet

coverage across the OECD. There is greater public registry coverage, but with the scope of public registries more restricted, there is substantial room for improvement

Chart: OIC coverage of adult population, relative to OECD benchmark, 2016



Source: World bank data²⁷

Regional Segmentation: The GCC and Central Asia are the strongest regions for private credit bureau coverage, with Malaysia a leading economy for private bureau coverage, far ahead of OECD benchmarks.

The OIC varies substantially, with the GCC leading private credit coverage, followed by Central Asia and the remaining MENA region (which for the purposes of this analysis also includes Turkey and Iran). Public bureau coverage is led by East Asia, followed by MENA excluding GCC.

Chart: Private bureau coverage of adults, 2016, across the OIC, by region

²⁷ Obtained and analyzed from World Bank website

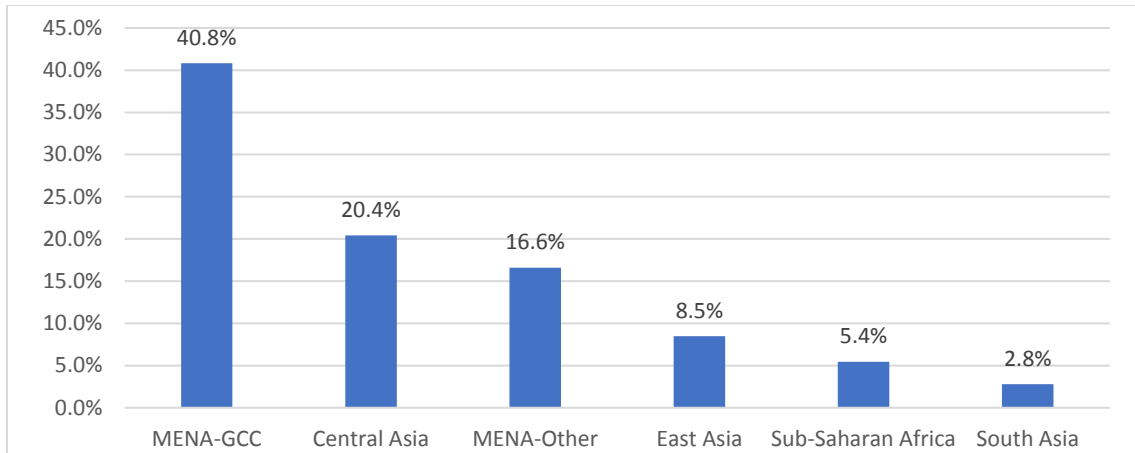
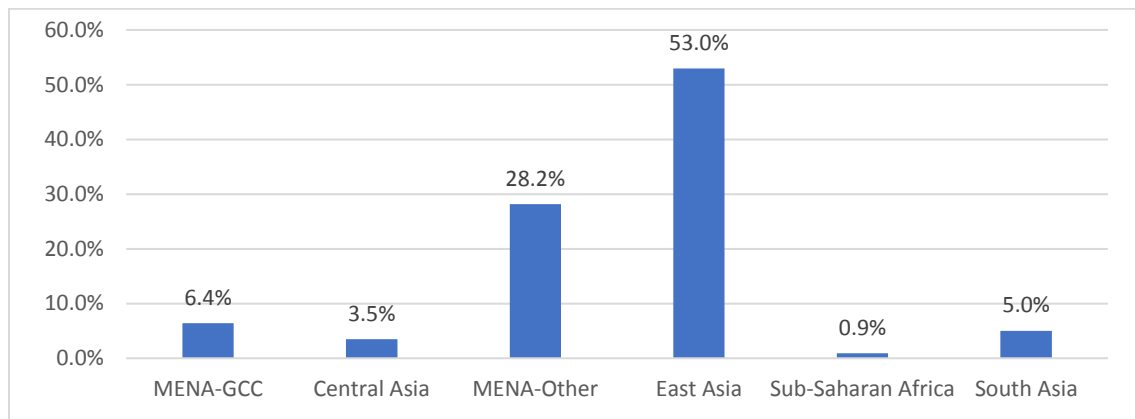


Chart: Public bureau coverage of adults, 2016, across the OIC, by region



Source: World bank data²⁸

Country level Activity: Malaysia, Iran and the UAE represent top ecosystems for credit bureaus, while Turkey, Brunei Darussalam and Malaysia represent leading ecosystems from credit registries. Malaysia’s strength of coverage for Credit Bureaus is particularly notable, far exceeding the OECD benchmark.

Chart: Leading OIC countries, Percentage of adults covered by Credit Bureaus, 2017

²⁸ Obtained and analyzed from World Bank website

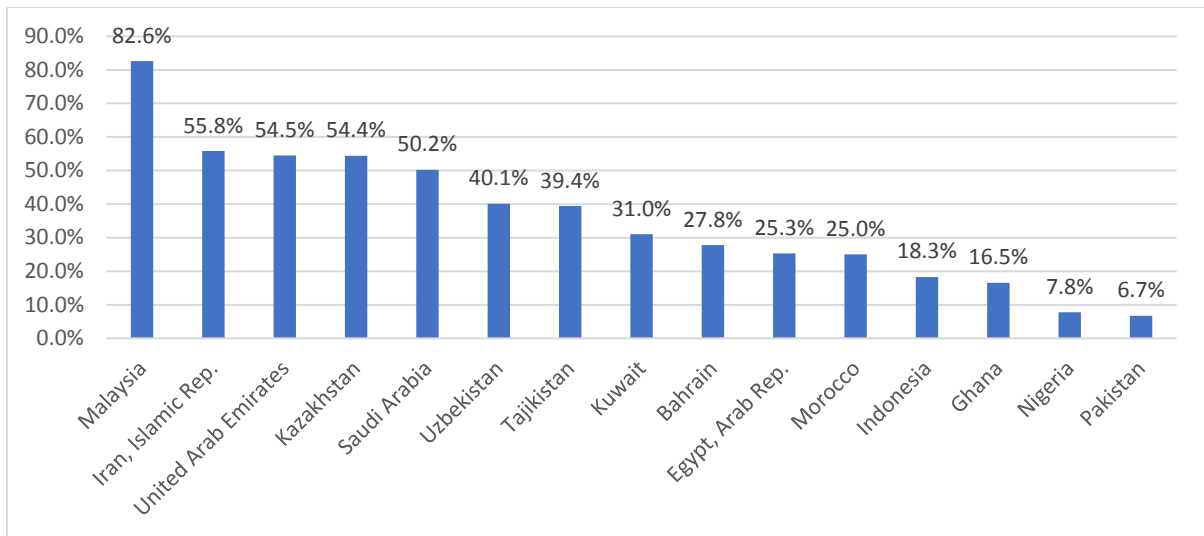
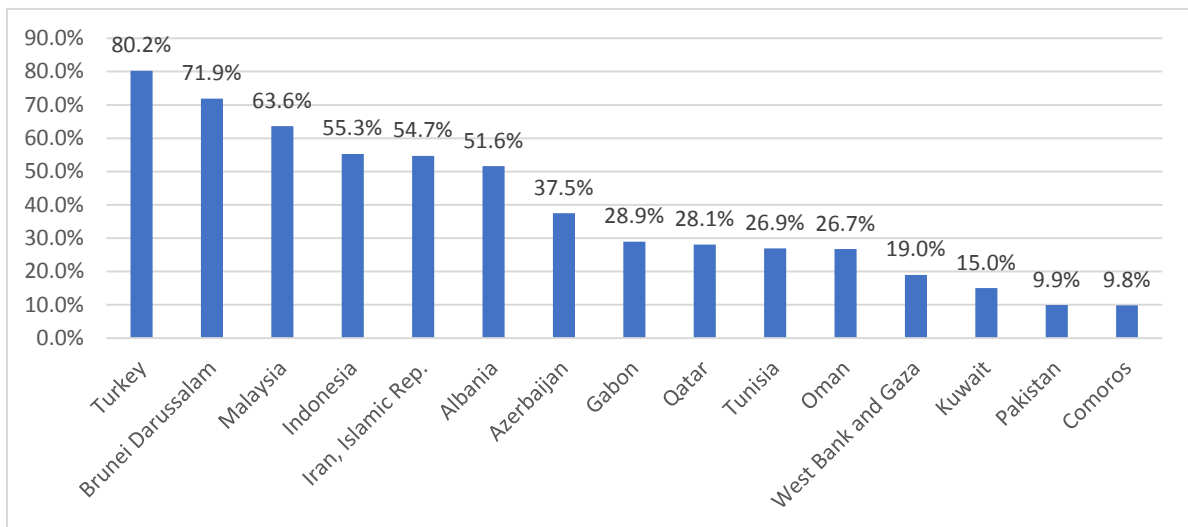


Chart: Leading OIC countries, Percentage of adults covered by Credit Registries, 2017



Source: World Bank Doing Business 2017

Leading OIC based Credit Reporting Service Providers (CRSPs): The following table lists key credit reporting service providers in OIC countries.

Name	Service Provider Type (Public registry, ratings agency, commercial bureau, consumer credit bureau)	Subject	Head-quarters	No. of Employees	Services			
					Customer Relationship Management	New Business	Collections	Prospecting
The Benefit Company	Commercial/consumer credit bureau	Consumer	Bahrain	83	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Credit Information Network - Ci-Net	Consumer credit bureau	Consumer/SMEs	Kuwait	20	<input type="checkbox"/>		<input type="checkbox"/>	
Em-credit	Consumer/commercial credit bureau	Consumer/SMEs	United Arab Emirates	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Al Etihad Credit Bureau	Public registry	Corporates/SMEs	United Arab Emirates	51-200	<input type="checkbox"/>			
I-Score	Consumer credit bureau	Consumer/SMEs	Egypt	11-50	<input type="checkbox"/>		<input type="checkbox"/>	
Central Bank of Egypt Central Credit Registry	Public registry	Corporates	Egypt	5000 (CBE Total)	<input type="checkbox"/>			
Central Bank of Jordan Credit Registry	Public registry	Corporates	Jordan	800 (CBJ Total)	<input type="checkbox"/>			
Central Bank of Oman's Credit and Statistical Bureau	Consumer/commercial credit bureau	Consumer/SMEs	Oman	282 (CBO Total)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Central Bank of Qatar – Qatar Credit Bureau	Consumer/commercial credit bureau	Consumer/SMEs	Qatar	501-1,000 (CBQ Total)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIMAH (Saudi Credit Bureau)	Consumer/commercial credit bureau	Consumer/SMEs	Saudi Arabia	51-200	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CTOS Data Systems Sdn Bhd	Consumer/commercial credit bureau	Consumer/SMEs	Malaysia	201-500	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kredi Kayıt Bürosu – KKB (Credit Bureau of Turkey)	Consumer credit bureau	Consumer	Turkey	201-500	<input type="checkbox"/>		✓	
Middle East Rating & Investors Service	Credit Ratings Agency	Corporates	Egypt	2-10	<input type="checkbox"/>			
RAM Ratings	Credit Ratings Agency	Corporates	Malaysia	51-200	<input type="checkbox"/>			

OIC Case studies: Below are select case studies of leading OIC enterprises in business risk intelligence.

Al Etihad Credit Bureau (United Arab Emirates)	
Core activities	<p>Al Etihad Credit Bureau (AECB), also referred to as the Federal Credit Bureau, is a public credit registry according to an Arab Monetary Fund and World Bank Group report, has credit bureau functionality and provides credit information services across the seven Emirates.</p> <ul style="list-style-type: none"> • Al Etihad Credit Bureau is a Public Joint Stock Company wholly owned by the United Arab Emirates Federal Government. The company is mandated to collect credit information regularly from both financial and non-financial institutions in the UAE. • Al Etihad Credit Bureau aggregates credit information data and analyzes this data to calculate Credit Scores and produce Credit Reports that are made available to individuals and companies across the United Arab Emirates. • The company helps both borrowers and financial institutions make better informed decisions by adding transparency to the credit lending process.
Scale and growth	<ul style="list-style-type: none"> • In 2017, Al Etihad Credit Bureau’s enquiries by subscribers increased by 44 percent compared to the previous years. It currently manages 64 institutions, which increased from less than 30 in 2014.
Countries served	<ul style="list-style-type: none"> • United Arab Emirates
Key learnings	<p>Al Etihad Credit Bureau has developed strategic relationships with key financial institutions across the United Arab Emirates to become the most trustworthy credit reporting tool enhancing the financial infrastructure. The company has also leveraged technology to launch a credit scoring system for consumers.</p>

I-score (Egypt)	
Core activities	<p>I-Score is the leading credit bureau in Egypt and is a database of credit information for consumers and SMEs</p> <ul style="list-style-type: none"> • The company has authorized users and institutions that are entitled to access I-Score’s database to carry out credit worthiness checks on consumers and small businesses.

	<ul style="list-style-type: none"> • I-Score holds nearly 100 percent of Egypt’s credit consumer data on both individuals and SMEs from commercial banks. • The company provides credit information services and products including: <ul style="list-style-type: none"> ○ Self-Inquiry via Bank Web Portals ○ National ID Verification ○ Credit Score Inquiry via ATMs ○ Account Monitoring ○ MIS Reports ○ Credit Reports for Consumers and SMEs ○ Signature Verification ○ Application Scoring ○ Bankruptcy
Scale and growth	<ul style="list-style-type: none"> • As of 2016, I-score registered a total of 11.5 million customers on its database including 156,000 enterprises.
Countries served	<ul style="list-style-type: none"> • Egypt
Key learnings	<p>I-score leverages strategic relationships with 25 banks in addition to the Social Fund for Development to aggregate credit data and enhance transparency. In 2006, the company appointed Dun & Bradstreet International Technology consultants to help improve their technology and know-how of credit bureau applications and processes. The credit bureau is now the leading credit information tool in Egypt.</p>

RAM Ratings (Malaysia)	
Core activities	<p>RAM Ratings Services Berhad is the first and largest credit rating agency in Malaysia and South-East Asia.</p> <ul style="list-style-type: none"> • The company provides independent credit ratings, research, risk analysis, bond pricing and credit information. • The company’s portfolio encompasses corporate firms, sovereign countries, financial institutions, insurance companies, and structured finance obligations. • RAM Ratings is the world’s leading rating agency for securities under Islamic principles. • The company rates both corporate companies and debt obligations, which can be requested by entities themselves or third parties • The company leverages its website to disseminate rating news
Scale and growth	<ul style="list-style-type: none"> • Established by the Central Bank of Malaysia, the company’s mission was to support the development of Malaysia’s bond market and have rated \$350 billion of bonds by 500 entities in Malaysia and 12 other countries • Awarded Best Rating Agency (South East Asia 2017) by CPI Financial

Countries served	<ul style="list-style-type: none"> • Malaysia • South-East Asia (12)
Key learnings	RAM Ratings is a leading credit rating agency focused on the bond market in Malaysia and South East Asia. The company’s advantage is it’s full suite of credit rating offerings that help issuers access capital markets at competitive pricing levels. RAM Rating’s extensive reach in bond ratings has led to its expansion as the largest credit rating agency in the region.

Besides the above three case studies of OIC based credit registry, credit bureau and rating agency, it is important to also highlight **AMAN UNION (AU)**, a multi-lateral effort within OIC countries for establishing cross-border credit information to support national export credit insurance agencies. AMAN UNION (AU) is a professional forum assembling commercial and non-commercial risks insurers and reinsurers in member countries of the OIC and of the Arab Investment and Export Credit Guarantee Corporation “DHAMAN”. The AU was established in 2009 and currently has 19 full members, 1 Associate member and 11 observers.

Build on the success of the AMAN UNION Database Project: The recent establishment of the Aman Union database seems a good start in the direction towards cross-OIC credit information sharing. This database is an initiative by the AU and is the first of its kind in the Arab and Islamic region, established for the benefit of national export credit insurance agencies in the region and enables the subscribers in the database to share and purchase credit information reports, credit opinions on entities worldwide and to exchange their underwriting experience on buyers and banks. The database was officially launched during the Fourth Annual Meeting of the AU held in Qatar on 10 December 2013 and is currently providing its services to 10 of its members. The current available database on buyers at the UNION stands at 233,078 buyers.

c) External Factors

Following are key external economic, social, legal, and technological factors identified affecting global credit intelligence trends and needs:

Economic Drivers

- **Alternative forms of credit reporting are being created, acknowledging limitations in traditional credit information.** Alternative credit, such as records of rent and utilities payments, provide a more complete picture, and has been recognized as a need for credit reporting overall. The emergence of new peer to peer finance providers are driving a push for improved credit scoring information, with lenders such as Float, opting to analyze two years worth of bank statements instead of reviewing FICO scores²⁹

New startups have also emerged to enable users to paint a more complete picture of their finances, such as DROPP (Digital Record of Payment Platform), allowing users to showcase their payment history across multiple expense account.

- **One Belt/ One Road.** One of the major global trade and investment development is China's One-belt/ One Road initiative. Many OIC countries are directly affected by it and can benefit tremendously with cross trade and investments with China.

Social Drivers

- **There is a greater push than ever towards financial inclusion.** The emergence of MicroFinance Institutions have not only played a role in increasing inclusion, but also driving growth in Credit Information in Developing countries.³⁰

The push for inclusion has led to efforts to incorporate individuals into the reporting ecosystem; as such, organizations such as Firstaccess, play a critical role in enhancing the coverage and scope of credit information.³¹

Legal Drivers

- There is a need for a clear legal basis to have a full functioning credit bureau. Better regulatory framework impacts licensing of new bureaus, customer's rights and obligations in terms of update and use of credit information. The national

²⁹ "Why Lending Startups Like Float Want To Ditch The FICO Score", Fast Company, Feb 2017

³⁰ "Findex Financial Inclusion", 2017, World Bank

³¹ <https://www.firstaccessmarket.com/about/>

governments and their entities have to establish the required regulatory basis to the smooth running of these outfits. The relevant rules include bank secrecy regulations, data protection laws, and consumer protection provisions. Also, this is related to the collateral system available in the country as well as bankruptcy laws.³²

- Empirical evidence has established that legal origins are an important determinant of both creditor rights and information sharing institutions. The analysis suggests that public credit registries, which are primarily a feature of French civil law countries, benefit private credit markets in developing countries (*based on cross-country determinants of private credit, using new data on legal creditor rights and private and public credit registries in 129 countries.*) English common law based jurisdictions have different implications.

Technological Drivers

- **Technology is speeding up credit information, with blockchain potential disaggregating the industry.** The implementation of Artificial Intelligence is underway at the largest Credit Reporting Providers, notably Experian, pushing for greater accuracy, convenience and speed, partnering with Fintech company Finicity, to connect to a database of over 16,000 institutions³³

The Equifax breach in 2017, however, has raised substantial questions about having a single, centralized database containing sensitive information. Blockchain poses a solution, disaggregating private data. Bloom is a high potential startup that seeks to migrate lenders onto its Ethereum-based platform, connecting counterparties globally, and sourcing data from a range of sources³⁴

³² "Private Credit in 129 Countries?", Harvard University Journal of Financial Economics (2007)

³³ <https://www.finity.com/press-release-experian-finity-collaborate-digitize-lending-marketplace-easier-quicker-less-tedious-experience-consumers-lenders/>

³⁴ <https://bitcoinmagazine.com/articles/how-one-blockchain-startup-combatting-centralization-credit-industry/>

d) OIC Credit Intelligence Ecosystem Gaps and SWOT Analysis

A wide variation of credit intelligence ecosystem maturity exists within the OIC member countries. It will be important to have a proper segmentation and understanding of the various levels of maturity, preparedness and need to benefit from the proposed CBIC platform.

Gaps & OIC Member Countries' Credit Intelligence Ecosystem Maturity Analysis:

Based on the global benchmarking with OIC countries adoption of credit registries and credit bureaus, a four-quadrant segmentation of the different OIC markets maturity levels is presented below. *Tier A* represents countries with >50% population covered in public registry or private bureaus. *Tier B* represents 10%-50%. *Tier C* represent 1%-9%. *Tier A* represents 0%. The raw data is referenced in the Appendix:

Table: OIC Business Intelligence Maturity Quadrants

Tier A	Tier B	Tier C	Tier D
Turkey	Albania	Cameroon	Djibouti
Malaysia	Azerbaijan	Comoros	Burkina Faso
Brunei Darussalam	Tajikistan	Nigeria	Niger
UAE	Kuwait	Syria	Guinea-Bissau
Kazakhstan	Kyrgyz Republic	Mauritania	Mali
Indonesia	Qatar	Uganda	Gambia, The
Iran, Islamic Rep.	Uzbekistan	Mozambique	Guinea
Gabon	Tunisia	Algeria	Iraq
Saudi Arabia	Bahrain	Jordan	Somalia
	Morocco	Chad	Suriname
	Oman	Cote d'Ivoire	Turkmenistan
	Maldives	Sudan	
	Lebanon	Sierra Leone	
	Egypt	Yemen, Rep.	
	Guyana	Bangladesh	
	Pakistan	Afghanistan	
		Benin	
		Senegal	
		Libya	
		Togo	

Source: DinarStandard analysis based on World Development Indicators 2017 data on Public credit registry coverage (% of adults) & Private credit bureau coverage (% of adults)

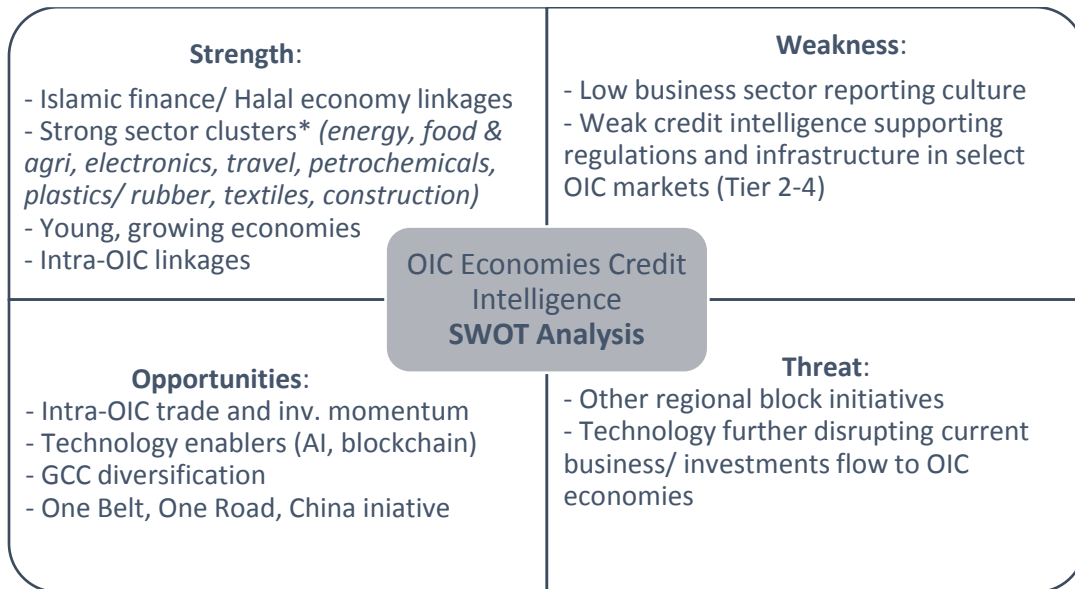
The above segmentation is a critical consideration in devising an effective strategy for CBIC’s services development. An additional aspect is to consider the regional breakdown. Below Tables show case regional distribution of OIC member countries by credit intelligence ecosystem maturity levels:

Table: OIC Business Intelligence Maturity – By Region

West	Central Asia	MENA-Other	MENA-GCC	South Asia
Guyana	B	A	A	A
Albania	B	B	A	A
	Kazakhstan	Turkey	UAE	Maldives
	Azerbaijan	Iran, Islamic Rep.	Saudi Arabia	Pakistan
	Kyrgyz Republic	Tunisia	Kuwait	Bangladesh
	Uzbekistan	Morocco	Qatar	Afghanistan
	Turkmenistan	Lebanon	Bahrain	
	Tajikistan	Egypt, Arab Rep.	Oman	
		Syrian Arab Republic		
		Algeria		
		Jordan		
		Yemen, Rep.		
		Libya		
		Iraq		
		Sub-Saharan Africa		East Asia
		Gabon	A	Malaysia
		Cameroon	C	Brunei Darussalam
		Comoros	C	Indonesia
		Nigeria	C	
		Mauritania	C	
		Uganda	C	
		Mozambique	C	
		Chad	C	
		Cote d'Ivoire	C	
		Sudan	C	
		Sierra Leone	C	
		Senegal	C	
		Togo	C	
		Djibouti	D	
		Burkina Faso	D	
		Niger	D	
		Guinea-Bissau	D	
		Mali	D	
		Gambia, The	D	
		Guinea	D	
		Somalia	D	
		Suriname	D	

Source: DinarStandard analysis based on World Development Indicators 2017 data on Public credit registry coverage (% of adults) & Private credit bureau coverage (% of adults)

OIC Member Countries' SWOT Analysis: Based on the comparison of global benchmarking with OIC countries adoption of credit intelligence ecosystem and other external drivers, below is a preliminary SWOT analysis of OIC economies credit intelligence ecosystem.



* DinarStandard analysis of Top 10 OIC Industry Clusters Report 2015

4 The Business Case

Based on the earlier analysis of the gaps in OIC member countries relative to global credit information benchmarks, there are **five** key benefits of Business Intelligence Center (CBIC) to OIC member countries:

- A. Private sector lending boost of estimated \$670 bill to OIC economies with least developed credit systems:** Full and effective availability of credit information and associated system, can boost private sector lending within least developed OIC member states by a conservative estimate by \$670 billion a year³⁵. This estimate is for the 32 OIC member countries with credit information available on less than 10% of adult population. For the 25 mature to maturing OIC member states, this could mean estimated addition of \$1.2 trill in private sector lending.
- B. Reduce rates of non-performing loans by 7.75 percentage points:** Based on validated Latin-America developing market evidence, we can estimate a similar impact on reduction of non-performing loans on OIC member countries.
- C. FDI boost:** Given the strong correlation of FDI growth and strong financial credit information systems, the OIC members can most certainly also see positive direct impact on Foreign Direct Investments (FDI.) An improving credit system will increase foreign investors' confidence in the domestic investments. In addition, in 2016, OIC countries were able to attract only US\$ 96.3 billion FDI, compared³⁶. Comparatively, there was US\$ 26.7 trillion in global inward FDI stock in 2016, OIC countries hosted only 6.6%.
- D. Financial inclusion:** OIC member countries suffer from highest financial system non-inclusion. While part of the reason is limited Islamic finance, a big part is inability for financial institutions to evaluate risk with through reliable credit information on MSMEs in OIC countries. On average, only 28 % adults in the OIC countries hold a bank account at a formal financial institution which further exasperates the challenge³⁷.

³⁵ Based on applying credit information to private sector loan correlation evidence by a World Bank & Harvard University study to OIC member countries

³⁶ SESRIC OIC Economic Outlook 2017

³⁷ 1. Role of Islamic Banking in Financial... (PDF Download Available). Available from: https://www.researchgate.net/publication/309957760_Role_of_Islamic_Banking_in_Financial_Inclusion_Prospets_and_Performance [accessed May 06 2018].

E. **Intra-OIC trade boost:** A cross-border business-credit information amongst OIC member countries will further boost existing trade linkages and preferential agreements. Nominal value of the total intra-OIC trade has grown from USD 363 billion in 2007, to USD 539 billion in 2016. The share of intra-OIC trade in total OIC trade rose 15.38 % to 19,35 % in the same period.³⁸ In a similar vein, in 2015 intra-OIC FDI inflows continued to remain under its potential and a few OIC countries including Egypt, Turkey, Mozambique and Morocco attracted more than US\$ 1 billion FDI from other OIC countries

A key point about the benefit and viability of a multi-lateral cross-border credit intelligence platform and development service is that this is being successfully implemented across many other global regions. The Hub & Spokes model with TransUnion Central America is an example of how developing countries become part of this opportunity. Similar platforms is also being run from South Africa, in Europe, and West Africa.

³⁸ COMCEC – OIC Trade Outlook 2017

5 CBIC - Solution Framework (Draft)

Based on the preliminary market analysis, below is the proposed “COMCEC’s Business Intelligence Center (CBIC)” solution framework.

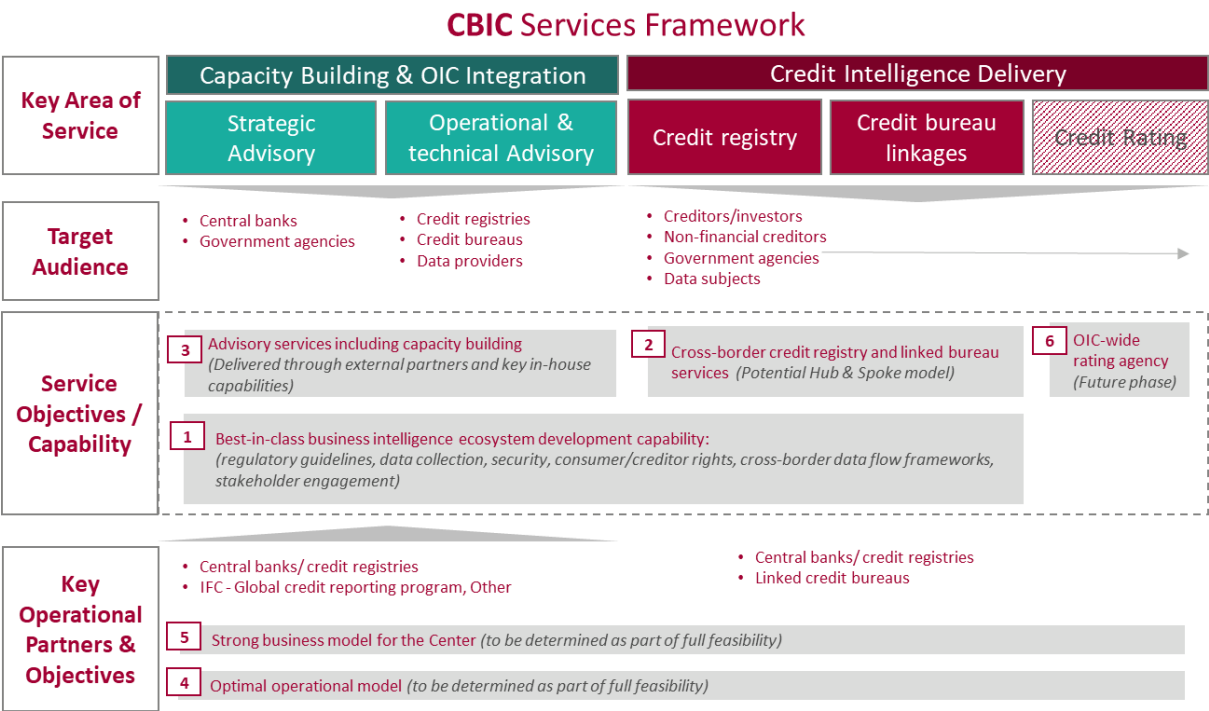
Vision: *The vision of CBIC is to enable all OIC MCs to have the strongest investment, financing, and trade development in the world through best-in-class business growth and risk management intelligence ecosystem.*

Objectives: CBIC’s clear objectives to achieve the stated vision are as follows:

1. Build best-in-class **business intelligence ecosystem development capability** to serve all OIC MCs (regulatory guidelines, data collection, security, consumer/creditor rights, cross-border data flow frameworks, PPP, Industry Association, other)
2. Develop a best-in-class **business intelligence database/digital platform** that covers cross-border credit registry and linked credit bureau services (*OIC wide with potential Hub & Spoke model*)
3. Provide **advisory services** including capacity building to MCs across the different maturity levels to drive business/credit intelligence impact across all members.
4. Deliver an **optimal operational model** with key strategic partnerships and potential regional offices network and adoption model that serves all MCs at various maturity levels
5. Establish a **strong business model for the Center** to ensure long-term sustainability and impact
6. (*Future phase*) Establish an **OIC-wide Rating agency** that will provide reliable, affordable, and independent creditworthiness of the MCs including risk profile.

Primary audience & stakeholders: The primary target audience of the CBIC are: 1) creditors, non-financial creditors, and government agencies seeking financing and investments within the OIC MCs. Key CBIC stakeholders are OIC MC central banks, credit registries, credit bureaus, business associations, chambers of commerce, and other related public and private stakeholders and civil society.

CBIC - VISION
 Enable all OIC MCs to have the strongest investment, financing, and trade development in the world through best-in-class business growth and risk management intelligence ecosystem.



Solution Description: (To be updated)

- The COMCEC Business Intelligence Center concept will provide to public and private stakeholders development and application of standards and best practices, training and education, centralized vendor relationships and cross-departmental organization related to the deployment and existence of Business Intelligence solutions across the OIC MCs.
- The CBIC will allow private and public stakeholders to access, gather, store and analyzing corporate data to assist them in taking accurate and timely business decisions. Among other important areas for the CBIC to cover, It will include data collection and analysis, credit risk assessment, credit risk assessment, credit risk mitigation assessment, customer credit risk profile, debt restructure analysis, involved party exposure, non-performing loan analysis, outstanding analysis, portfolio credit exposure, security analysis, data mining (Data mining and knowledge retrieval are also important segments of business).

- The establishment of a CBIC will assist sellers to identify good buyers; therefore, it will reduce the default rate of financing parties and their insurers. Consequently, the reduction of (commercial) risk associated with buyers, will automatically increase the volume of trade between these parties. The same is applicable to banks financing trade and insurers.
- Developing a CBIC will help OIC banks, leasing firms, and factoring firms to expand credit to SMEs. In the recent years, certain OIC countries, Turkey and Malaysia have developed the capacity to put in place efficient systems in terms of Business Intelligence Models, which have enlarged the scope of current Credit Information Bureaus (CIBs).
- In addition, CBIC will also help domestic economy growth better as borrowers obtain more financing. According to the IFC (World Bank), “higher economic growth rates and a lower likelihood of financial crisis are additional benefits associated with greater credit reporting.”³⁹
- CBIC will provide many benefits to public and private stakeholders of the OIC MC, namely eliminating a lot of the guesswork within an organization, enhance communication among departments while coordinating activities, and enable companies to respond quickly to changes in financial conditions, customer preferences, and supply chain operations. CBIC will improve the overall performance of the company using it.
- CBIC also expedites decision-making, as acting quickly and correctly on information before competing businesses do can often result in competitively superior performance. It can also improve customer experience, allowing for the timely and appropriate response to customer problems and priorities.
- CBIC will be able to:
 - Create easy and intuitive access to Business Information.
 - Provide and evaluate credit-worthiness of vendors and borrowers as well as provide information on non-performing loan

³⁹. IFC, Credit Reporting Knowledge Guide, 2017, P.59

- Access to strategic, management and operational indicators that allows for a better and most efficient decision making.

CBIC Success Factors:

Legal and regulatory framework

- There is a need for a clear legal basis to have a full functioning credit bureau. Better regulatory framework impacts licensing of new bureaus, customer's rights and obligations in terms of update and use of credit information. The national governments and their entities have to establish the required regulatory basis to the smooth running of these outfits. The relevant rules include bank secrecy regulations, data protection laws, and consumer protection provisions. Also, this is related to the collateral system available in the country as well as bankruptcy laws.

Ownership

- A critical question is who will own the credit bureau – public, private, a joint venture, or perhaps partnership between local and foreign entity?
- In some member countries, The Credit Information Bureaus (CIBs) are generally owned by both private and public entities. Also, companies outside the OIC area also run their CIBs in the region. In many cases, the central banks operate credit units that control credit records and sharing with other might be restricted. In some cases, the banks' profession associations produce information on credits trends and prospects.

Technology

- Advanced technology is important for data collection, dissemination and analysis. Without the necessary capacity and speed of processing the required data, the bureaus will have limited scope to play. This is an area where many OIC member countries are falling behind.
- Reportedly, there is lack of technical know-how in building IT systems for credit bureaus.

Awareness

- It is equally important that the consumers as well as the end users of the credit report know their respective roles. Professionalism, neutrality and confidentiality are the hallmarks of this kind of business. In most of the economies of the OIC member countries, there are many companies that are not registered formally or properly, which can lead to inaccurate credit records, if any. It is widely spread practice in the formal economies, where SMEs do not have official accounts, and in many instances, business people do not see the importance of having corporate accounts or records, even if they can afford.

Coordination and supervision

- In order to have successful information credit bureaus, the relevant authorities should not only supervise their work but also streamline the products of these companies, and have standards that all can meet. In addition to the national governments, the work of organized networks to do this job is at rudimentary stage. In other words, there is a need for having an association for credit bureaus in OIC member countries that can provide exchange of expertise and networking for professional in member countries.

Adverse use of information

- Partnership between local and foreign entities can have negative implications. For example, major export credit agencies join hands with local credit bureaus or buy them outright. These parties can use the information for their own ends, at the expense of the national ECAs of the member countries. Negative use of information can distort the whole reporting of the bureaus.

Small size of market in some MCs

- Some countries have limited market opportunities to operate CIBs in terms of selling credit reports. In Sub Saharan Africa, a country of 15-20 million may have about 200,000 credit records. CIBs operate on economies of scale, which means given their initial capital injection, they need to sell a volume of credit reports. As a solution, in Latin America, a hub was established so that CIB services for several countries is conducted in the hub.

Limited data and quality issues

- Overall credit information data availability and quality is considered weak in the OIC region. For automation of decisions, critical mass and reliable data is required. Dearth of data is the norm in OIC member countries. In addition, getting it in a significant volume is another hurdle. When records are available, they might not be updated for years. (Credit information must be based on fresh data; otherwise, it will mislead its users).
- “Data accuracy is detrimental since it may lead to a number of wrong decisions such as loan denial and higher borrowing costs”. Lack of standardization is another problem that prevails in most of OIC member countries.

High cost of information

- Related to the above, not only that the cost of obtaining credible information is very expensive, but also it costs high to maintain it. Therefore, it is right to ask whether it is economic that all involved in trade should obtain and store information. Having a critical mass can make information cost effective. Overall, it is generally believed that better credit information would lead to a lower capital cost. Some creditors are obliged to pay a visit to the country to conduct expensive due diligence. Despite the cost, these kind of visits are important. However, a visit is normally justified by a large transaction, but for short term lending or underwriting, automation is the way forward.

Country versus cross-country credit information

- The need for a country specific credit information outlet is very pressing in OIC member countries, particularly for financing and credit giving entities. As noted above, there is no wide gap between the low-income countries of the region, and the medium-high income countries. Indeed, some in the latter camp also need major progress in this regard. In the same vein, it is possible that countries have different needs in terms of credit information outlets.

- The other prevailing need is that of cross-border credit information system that may cater for entities involved in trade activities in the OIC countries. The national ECAs as well as the multilaterals are the natural gateway for this potential opportunity.

6 CBIC – Next Steps

- Under the COMCEC’s umbrella, ICIEC is submitting this draft proposal to set up a CBIC with a possibility to create regional offices of CBIC where it is deemed, so to globally and mutually respond to the need to have an appropriate function that addresses the deficiencies in terms of lack of reliable, predictable and strategic BI.
- This CBIC proposal once set up could lead in the future to explore the possibility to set up an OIC Rating Agency that will provide reliable, affordable, and independent creditworthiness of the MCs including risk profile. This OIC Rating Agency by providing this information will in principle reduce information costs, increase the pool of potential borrowers, and stimulate the financial markets. These functions may enhance the access for strategic information on the risk capital and will lead in fine to create the solid basis for a resilient, sustainable and inclusive economic growth
- If the Concept Note is endorsed by the COMEC, a full and detailed study will be carry out by ICIEC, IDB Group including OIC relevant organs for the next session of the COMCEC.

7 Appendix – OIC Member Countries Credit Intelligence Maturity

Country	Region	% of Ppn in Public Registry	% of Ppn in Private Bureaus
Turkey	MENA-Other	77%	0%
Malaysia	East Asia	62%	76%
Brunei Darussalam	East Asia	62%	0%
United Arab Emirates	MENA-GCC	9%	54%
Kazakhstan	Central Asia	0%	52%
Indonesia	East Asia	52%	0%
Iran, Islamic Rep.	MENA-Other	51%	51%
Gabon	Sub-Saharan Africa	51%	0%
Saudi Arabia	MENA-GCC	0%	48%
Albania	E. Europe	39%	0%
Azerbaijan	Central Asia	36%	0%
Tajikistan	Central Asia	0%	36%
Kuwait	MENA-GCC	15%	31%
Kyrgyz Republic	Central Asia	0%	31%
Qatar	MENA-GCC	31%	0%
Uzbekistan	Central Asia	0%	28%
Tunisia	MENA-Other	28%	0%
Bahrain	MENA-GCC	0%	26%
Morocco	MENA-Other	0%	25%
Oman	MENA-GCC	23%	0%
Maldives	South Asia	23%	0%
Lebanon	MENA-Other	22%	0%
Egypt, Arab Rep.	MENA-Other	7%	22%
Guyana	Americas South	0%	16%
Pakistan	South Asia	9%	6%
Cameroon	Sub-Saharan Africa	8%	0%
Comoros	Sub-Saharan Africa	8%	0%
Nigeria	Sub-Saharan Africa	0%	8%

Syrian Arab Republic	MENA-Other	7%	0%
Mauritania	Sub-Saharan Africa	7%	0%
Uganda	Sub-Saharan Africa	0%	7%
Mozambique	Sub-Saharan Africa	5%	0%
Algeria	MENA-Other	3%	0%
Jordan	MENA-Other	3%	0%
Chad	Sub-Saharan Africa	2%	0%
Cote d'Ivoire	Sub-Saharan Africa	0%	2%
Sudan	Sub-Saharan Africa	0%	2%
Sierra Leone	Sub-Saharan Africa	2%	0%
Yemen, Rep.	MENA-Other	1%	0%
Bangladesh	South Asia	1%	0%
Afghanistan	South Asia	1%	0%
Benin	Sub-Saharan Africa	1%	0%
Senegal	Sub-Saharan Africa	1%	1%
Togo	Sub-Saharan Africa	1%	0%
Libya	MENA-Other	1%	0%
Djibouti	Sub-Saharan Africa	0%	0%
Burkina Faso	Sub-Saharan Africa	0%	0%
Niger	Sub-Saharan Africa	0%	0%
Guinea-Bissau	Sub-Saharan Africa	0%	0%
Turkmenistan	Central Asia	0%	0%
Iraq	MENA-Other	0%	0%
Gambia, The	Sub-Saharan Africa	0%	0%
Guinea	Sub-Saharan Africa	0%	0%
Somalia	Sub-Saharan Africa	0%	0%
Suriname	Sub-Saharan Africa	0%	0%

Source: *DinarStandard* analysis based on *World Development Indicators* 2017 data on Public credit registry coverage (% of adults) & Private credit bureau coverage (% of adults)

8 Appendix - Literature Review

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