

AUSTRALASIAN
RETAIL
CREDIT
ASSOCIATION

DATA STANDARDS INDUSTRY OVERVIEW

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AGENDA

- | | |
|-------------------------------------|------------|
| 1. Introduction and open | 5 minutes |
| 2. Overview | 40 minutes |
| 3. Q&A | 30 minutes |
| 4. Next Steps & Further information | 5 minutes |

DATA STANDARDS UPDATE — AUGUST 2013

SUPPORTING PRACTICAL, CONSISTENT, TIMELY AND
EFFECTIVE REPORTING OF CREDIT REPORTING INFORMATION

Eric Janssens | ARCA Data Standards

CONTENTS



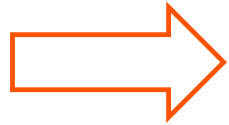
The Journey so far



Data Standards overview



Data Standards document contents



Reportable events



Next Steps



Questions



2008 to 2010

- 1st Data Standards meeting held – February 2008
- Set of Data Standards Principles produced and endorsed by ARCA
- 8 iterations of draft specification produced

November 2010 to July 2013

- ARCA Data Standards Terms of Reference produced
- ARCA Data Standards Committee formed
- Regular monthly meetings and workshops kicked-off
- Committee confirmed 2 aspects to Data Standards
 - Industry requirements
 - Technical specification
- 1st Draft Industry requirements based on EDB produced and reviewed by Committee
- 9 iterations since 1st draft
- Latest draft version 10 of Industry requirements & Technical specification document produced for distribution and review by Industry



Standards

- What?
- Why?
- Key principles
- Core traits of the Data Standard

Credit Data Reporting

- Industry Requirements document contents
- The 15 reportable events
- The 5 Credit Datasets
- The Credit Data Reporting cycle



What is a standard?

- An agreed, repeatable way of doing something
- It is a published document that contains a technical specification or other precise criteria designed to be used consistently as a rule, guideline, or definition
- Data Standards:
 - are documented agreements on representations, formats, and definitions of common data, and
 - provide a common vocabulary for participants

Who is the standard for?

- Credit Providers and Credit Reporting Bodies engaged in Credit Reporting in Australia
 - Banks, Credit Unions, Finance companies, Telco's, Utilities, Debt Collectors, etc

Why have a data standard

Data standards improve the quality and share-ability of data by:

- Increasing data compatibility
- Improving the consistency and efficiency of data collection
- Supporting the requirements of the Privacy Act and CR code

What makes a robust standard

- Flexible to participants business operations whilst still upholding standards
 - Monthly/weekly/daily reporting
 - Report all events together or as separate files
- Traceability / transparency
- Supports / enables automated processing
- Serves all needs – no need for additional standards
- Achieves the required outcomes
 - Data quality / Compliance

Core traits of a data standard

- Reporting by Account where an Account can have one or many Account holders
- Support data supply for all reportable events
- Specify input requirements and validation rules for each reportable event
- Processing results reported back to data supplier
- Provide error details for rejected data back to data supplier
- Support
 - re-submission of previously rejected data
 - updating of previously supplied data
 - correction of previously supplied data
- Input/output record formats specified
- Linkage between input data records and corresponding output data records
- Agreed data protocol

Principles

1. Supports the compliance requirements and responsibilities of the Credit Reporting Code of Conduct and applicable legislation
2. Supports the completeness, accuracy and currency (up-to-date) of data to be held by a Credit Reporting Body
3. Caters for and is consistent with the common interests of all suppliers of data irrelevant of size or nature of credit business (Banks, Finance companies, Credit Unions, Utilities, Telco's, Debt Collection Agencies, etc)
4. The form and content of data exchanges should be aligned with the operations of data suppliers
5. Must be Credit Reporting Body independent
6. Should minimise the IT development effort for suppliers of data to extract required data from their systems in support of principle 2
7. Should minimise the processing and operational effort to supply data to Credit Reporting Bodies in support of principle 2
8. Should be consistent/aligned with any existing data standards commonly in use by the Credit Industry where appropriate
9. Should be aligned/adhere to industry standards where appropriate eg. Australia Post Address standard
10. Should provide some flexibility to accommodate data suppliers circumstances

Industry requirements & Technical specification document contents

PART I - Requirements

➤ General

- Reporting
- Data Updating
- Data Correction
- Data Validation
- Data Rejection
- Data Rectification
- Data Re-submission
- Verifying Data Load processing results
- Identifying Accounts
- Identifying Account Holders
- etc

➤ Initial (data load)

➤ On-going reporting of events

➤ Reporting on processing results

PART II – Technical Specification

➤ General

- Data transfer
- Process rules
- ...

➤ Input file header details

➤ Input file Account data details

- Attributes
- Validation rules

➤ Response file header details

➤ Response file Account processing details

➤ Valid codes

➤ FAQ's

The 15 reportable events

1. New Account
2. Account in Default
3. Re-Payment Status
4. Change of Account Id
5. Account Closed

6. New Account Holder
7. Ceased Account Holder

8. Update of Account details
9. Update of Default details
10. Update of Account Holder details

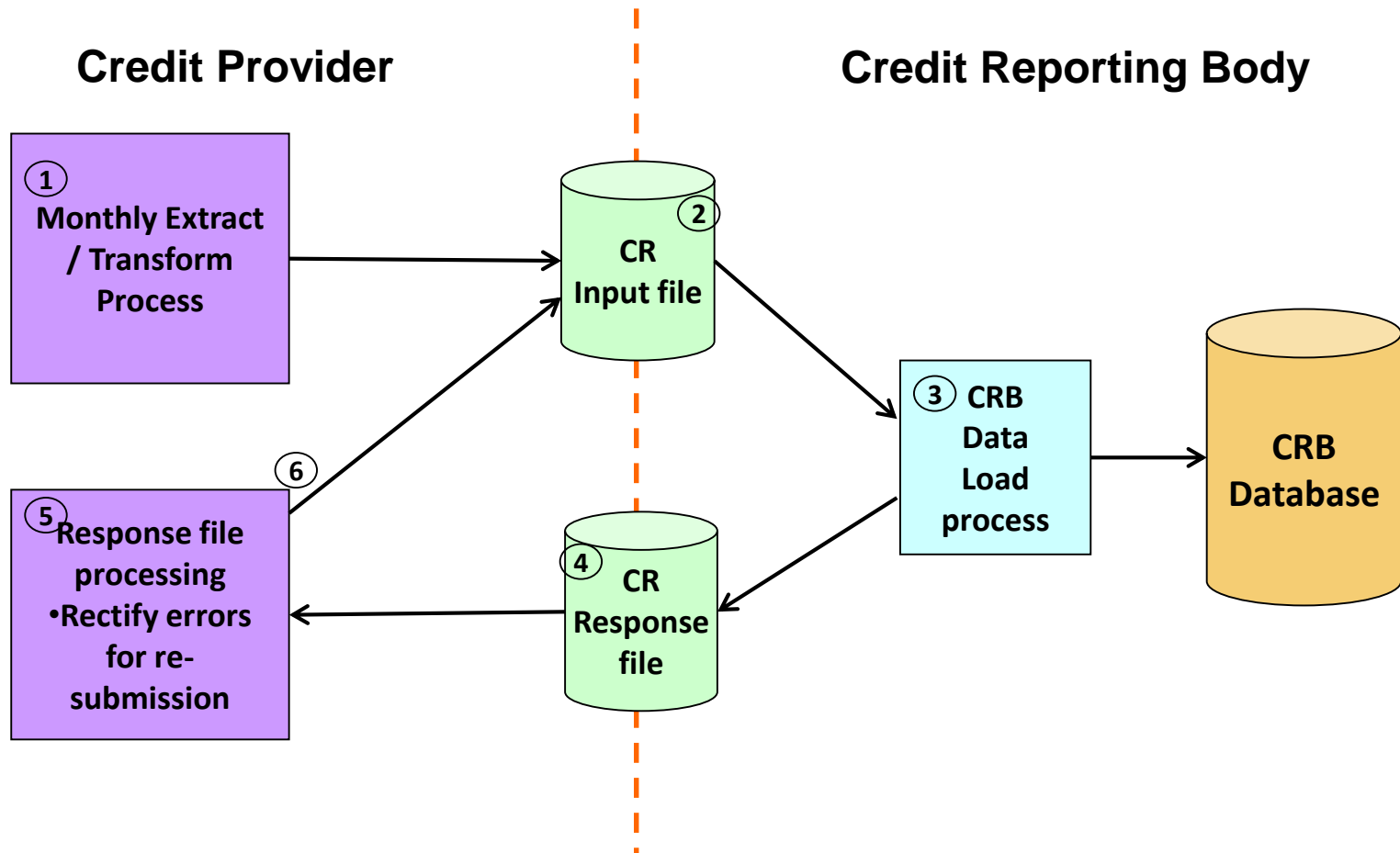
11. Correction of Account information
12. Correction of Re-Payment Status
13. Correction of Default details
14. Correction of Account Holder details

15. Transfer of Account Ownership

The 5 Credit datasets

1. Account details (CCLI)
2. Repayment History
3. Default details
4. Account Holder details
 - Names
 - Personal details
 - Address
5. Account Transfer details

THE CREDIT DATA REPORTING CYCLE



Q&A

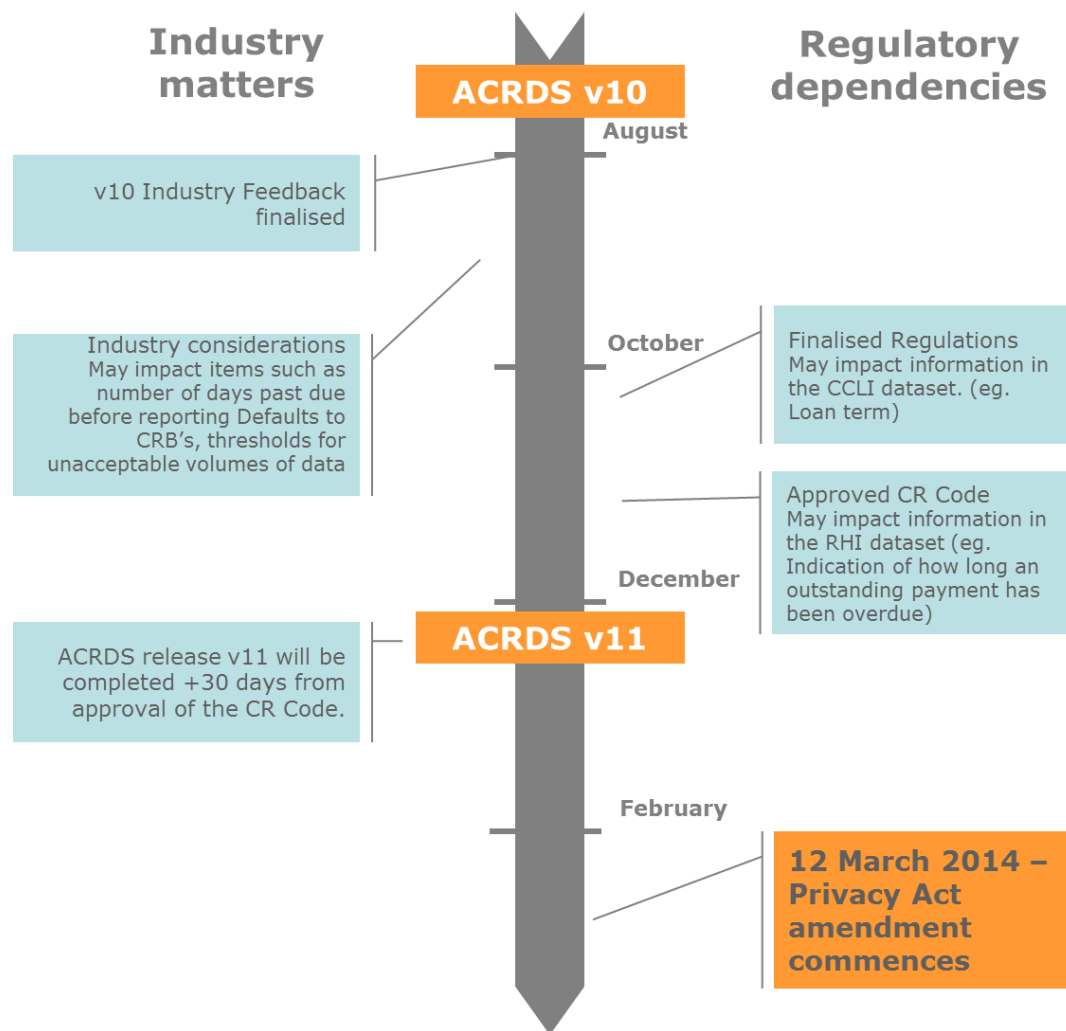
NEXT STEPS / OUTSTANDING MATTERS

- Seek feedback from broader industry on v10 of Data Standards
- Following approval of the Credit Reporting Code by the OAIC finalise Industry requirements & Technical specification document
- Outstanding matters
 - Reporting of Repayment History Information
 - Reporting of Consumer Credit Liability Information
 - Agreed number of days past due before reporting Defaults to CRB's
 - Thresholds for unacceptable volumes of data



KEY MILESTONES

- High-level view of the ACRDS timings and inter-dependencies on the regulatory process
- Delivery will be impacted by uncontrollable dependencies



Provide feedback on the ACRDS using the form provided to info@arca.asn.au by **COB Friday 30 August 2013**.

For questions and clarifications, please email info@arca.asn.au also, and we will ensure the most appropriate referral and follow up is completed.



AICM (Australian Institute of Credit Management) and ARCA (Australasian Retail Credit Association) have combined their expertise and experience, to develop a range of training solutions to work with your business towards achieving compliance with the Privacy Act reforms.

Just some of the aspects you need to consider by 12 March 2014 are:

- **Policies** – for Privacy and Credit Reporting compliance
- **Processes** – that need to be in place for correct requests and complaints from individuals, as well as access and record-keeping, and identity theft
- **Strategies** – for new applications and credit limit increases and collections, as well as compliance and risk approaches
- **Systems** – for record-keeping, disclosure and use of credit reporting information, whether manual or automated.

Contact us now to find out more about how we can help
education@aicm.com.au or info@arca.asn.au

PCCS

Privacy & Credit Compliance Solutions



Thank you.