

CONSULTATION PAPER

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Consultation Paper on Proposed Regulations and Notices for Licensed Credit Bureaus and Approved Members

MAS

Monetary Authority of Singapore

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1 Preface

1.1 In Singapore, credit bureaus currently recognised under the Banking Act (Cap 19) are permitted to collect and disclose borrower credit information from member banks, finance companies and credit card companies to facilitate members' credit assessments and loan underwriting decisions. Given the large amount of sensitive borrower credit information collected by the credit bureaus, the Credit Bureau Act 2016 ("CBA") was passed in Parliament on 9 November 2016 to subject them to formal oversight by MAS. Under the CBA, Monetary Authority of Singapore ("MAS") will regulate licensed credit bureaus ("LCBs"), the credit reporting business, and approved members of these licensed credit bureaus ("AMs").

1.2 This consultation paper sets out two sets of Regulations (collectively referred to as "Credit Bureau Regulations") and three Notices (collectively referred to as "Credit Bureau Notices") to effect the objectives of the CBA. **Annex A** sets out a list of questions asked in this consultation paper. **Annex B to Annex F**, which are in separate documents, set out the proposed Regulations and Notices.

1.3 MAS invites existing credit bureaus and members of credit bureaus in Singapore, as well as any other interested parties, for comments on the proposals outlined in sections 2 and 3 of this consultation paper.

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like (i) their whole submission or part of it, or (ii) their identity, or both, to be kept confidential, please expressly state so in the submission to MAS. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

1.4 Please submit your comments by 15 November 2020 at the link below –

[Response to Consultation Paper](#)

2 Credit Bureau Regulations

2.1 MAS intends to prescribe the following regulations to effect the objectives of the CBA:

- (a) Credit Bureau Regulations 2020 (“CB Regulations”);
- (b) Credit Bureau (Composition of Offences) Regulations 2020 (“Composition Regulations”);

2.2 The CB Regulations set out provisions of general application, such as the type of fees payable by a LCB, and the procedures that apply when a person is given an opportunity to be heard by MAS (for example, with regard to a decision of the MAS to revoke the approval or deemed approval of an AM of a LCB under section 31(1) of the CBA).

2.3 The Composition Regulations sets out the compoundable offences that apply to both LCBs and AMs. Any offence punishable by a fine and the offences in the Composition Regulations are compoundable.

Question 1. General comments. MAS seeks comments on the proposed regulations set out in Annexes B and C.

3 Credit Bureau Notices

3.1 In addition to regulations, MAS intends to issue the following Notices:

- (a) Notice to Licensed Credit Bureaus and Approved Members (“CBN”);
- (b) Notice on Technology Risk Management (“TRMN”); and
- (c) Notice on Cyber Hygiene (“CHN”).

3.2 The CBN sets out requirements which will instil robust governance standards within the LCBs, safeguard the confidentiality and accuracy of data processed by LCBs and their AMs, and ensure that disputes over data are resolved in a prompt, fair and independent manner. The key requirements are in the following areas:

- *Governance* – This includes establishing a Code of Conduct to govern issues such as dispute resolution process, a Dispute Resolution Committee (“DRC”) to resolve complaints and data disputes, and an Approved Members Committee (“AMC”) to review and coordinate operational matters concerning the credit reporting processes between the AMs and the LCB. MAS proposes for each

committee to be made up of at least 5 persons of which at least one-fifth of the committee members must be independent of the LCB and AMs.

- *Operational requirements on LCBs* – This includes requirements on security and integrity of data held by LCBs, investigation and correction of disputed data, verification of data subject’s identity and review of credit scoring methodologies and models.
- *Operational requirements on AMs* – This includes requirements on maintenance of records for periodic audits or investigation, the protection of confidentiality of customer information, investigation and correction of disputed data, and timely submission of data by the AMs to the LCBs.
- *Transitional period* - MAS proposes a transition period of 6 months for LCBs to facilitate compliance with the new requirements on the composition of DRC and AMC as well as investigation and correction of disputed data. In addition, MAS proposes a transition period of 12 months to allow LCBs and AMs to make system changes to meet the requirement for timely submission of data.

Question 2.	Code of Conduct. MAS seeks comments on the matters set out in the Code of Conduct and whether the matters covered under the Code are sufficiently comprehensive.
Question 3.	DRC and AMC. MAS seeks comments on the composition of the DRC and AMC members, as well as the matters that the DRC and AMC are responsible for.
Question 4.	Operational Requirements for LCBs. MAS seeks comments on the proposed requirements to be imposed on the LCBs.
Question 5.	Operational Requirements for AMs. MAS seeks comments on the proposed requirements to be imposed on the AMs.
Question 6.	Transition Period. MAS seeks comments on the proposed transition period for LCBs and AMs.

3.3 MAS proposes to subject LCBs to similar technology risk management requirements and cyber security measures as other financial institutions regulated by MAS. These requirements are set out in the TRMN and CHN. This will ensure that LCBs have robust infrastructure, systems and processes to manage technology risks and cyber threats.

3.4 While LCBs will have to establish dispute resolution processes under the CBN, there could be dispute cases that require independent mediation or arbitration where the data subjects are consumers. MAS will thus require LCBs that conduct consumer credit reporting businesses to subscribe to the Financial Industry Disputes Resolution Centre (“FIDReC”) as part of the licensing conditions.

Question 7. General comments. MAS seeks comments on the proposed Notices set out in Annexes D to F.

Annex A

LIST OF QUESTIONS

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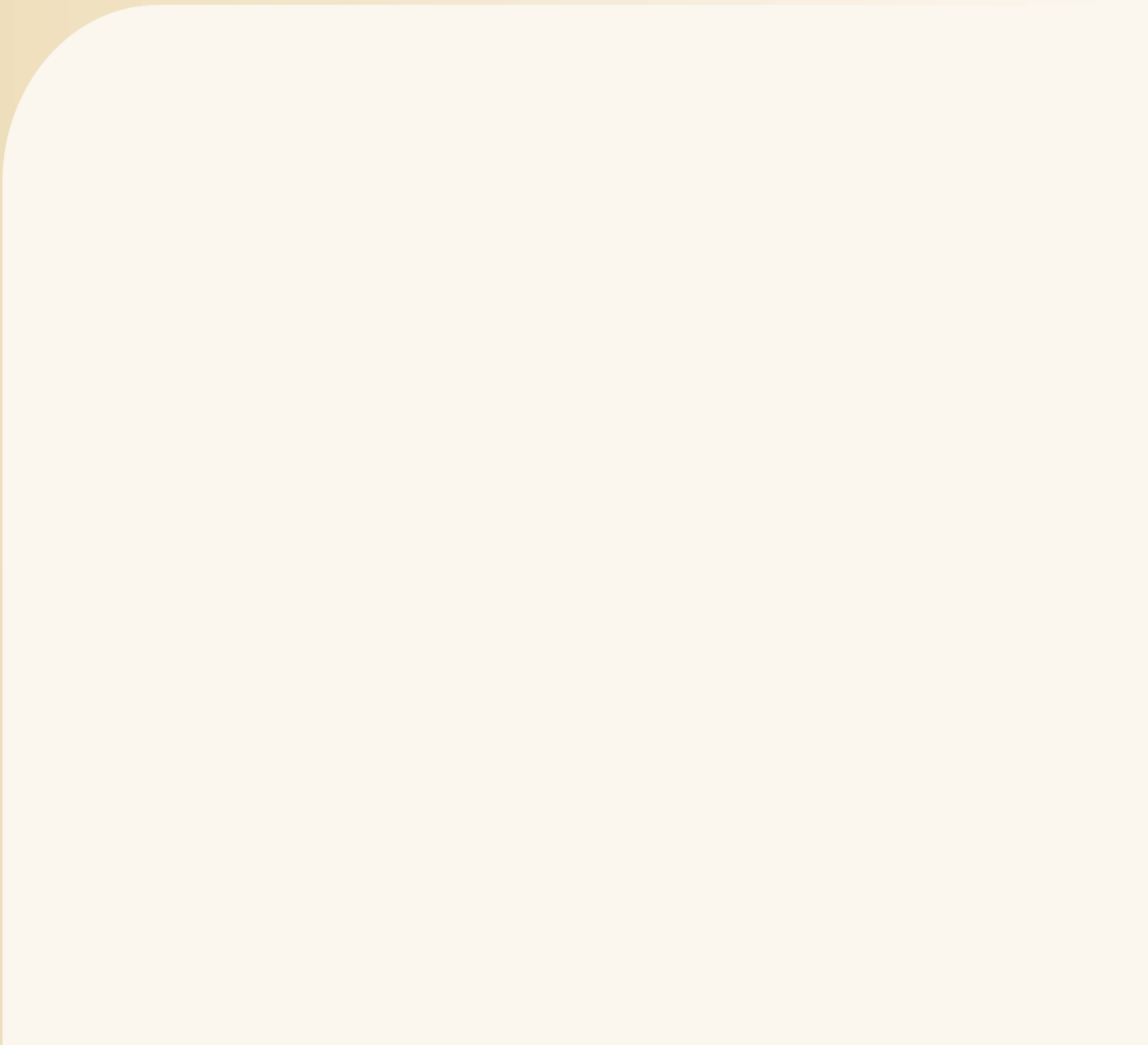
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