**FEBIS Regulatory Committee conference call –24.04.2018**

**Minutes of the conference call**

**Attendants:**

- Bernie Grady, Experian

- Luis Carmona, Informa

- Stephanie Verilhac Marzin, FEBIS/SVM consult

- Claire Fritz, Ellisphere

- Axel Bysikiewiecz , SCHUFA

- Matteo Marconi, CRIF

- Georg Hittmair, Compass

- Daniel Francis Morin, FEBIS

**Agenda:**

Focus on the ICCR-FEBIS Scoring-Rating white paper

**Introduction:**

Context of this call discussion is based on Luis mail of April 12th please find a short extract underneath.

*“As we commented in our last call on the last ICCR meeting, FEBIS has joined the subcommittee, just created, to work on* ***Credit Scoring:  - Innovative approaches (Scoring, Innovation and Improved Creditworthiness Evaluation Tools and Methodologies)****. The members of this committee are: ACCIS, ALACRED, FEBIS, Central Bank of Brazil, Central Bank of Turkey, Central Bank of Mexico (the Chair will be Alacred).*

*The intention is to study what is on the subject, in the global arena at present, and, ultimately, defining guidelines for credit scoring.*

*The guidelines will be valid for both, business and individuals, and specific comments could be given to allow proper differentiation on certain aspects applicable only to individuals.*

*In terms of timelines, a preliminary draft should be out in June-July and the final draft for discussion in October, just on time for the next ICCR meeting.*

Participants agree to provide ICCR with a document, the current one not being the best as it includes definitions of private ratings or ratings issued by IP which are out of the scope of the ICCR WS.

Claire supported by Stephanie suggest keeping a reminder of the ICCR GPCR as “hat” introduction of the matrix in order to hammer the B2B focus of our industry (versus the B2C other scoring approaches).

Luis remind the importance of these future scoring guidelines and the impact they may have on our business and thus the necessity to positively collaborate with ICCR in their definition.

Daniel draw attention on the fact that these “guidelines” should apply only on Scores sold to Banks and other Financial institutions (FINTECH industry), however BI providers should remain free of their Scoring processes when selling services to pure business final customers. Otherwise we may contribute to drastically regulate our industry even when not required by National or Community laws. Careful not to repeat the ECAI experience when most players invested a lot in rating models official agreements but finally realized a very small TO with Banks which scarcely externalized their risk assessment.

Luis agree that contribution should be focused on “Trade Credit Creditworthiness Assessment” environment and Claire add that “Access to Finance” should even be a better positioning.

Luis comes back on the importance of putting emphasis on “Trade Credit” which is not well known and defined. It means also we are “clear in our mind” on the goals to achieve and show a united front with other organizations (B2C) provided they agree on our definition of the scope of our action. Financial entities act in a regulated environment quid about the extension to other markets? We should not fear that, it opens new commercial opportunities.

Bernie asks coming back to the FEBIS matrix and welcomes comments from participants.

Claire comes back on their introductory remarks regarding a reminder of GPCR definition of Credit reporting companies. She already draw attention on this in her last mail of April 1§th while commenting the PPT on “Alternative Data for SME Finance Policy Note / Policy Resolutions Summary”. This definition put us on the same level as Credit Bureaus, which is a nice recognition of our added value.

Stephanie will draft a new matrix based only on 1st and 4th columns and will mention the focus on B2B (sole traders, business, entrepreneurs) in the title block above the Scoring column.

**Other points:**

Stephanie mentions her last phone call to ACCIS – Mr. Enrique Velázquez, about the Roadmap on public reporting by companies. ACCIS did not comment the Road Map at this stage and considers it is more a FEBIS topic linked to business information consideration. ACCIS do not produce a separate paper but will only add some comments at some points on FEBIS document.

Stephanie drafts a paper to be circulated amongst the RC group and see what comments ACCIS will add. Clear issue remains the natural person capacity and more accessibility of Data… ACCIS and FEBIS agree to continue acting separately (but in conjunction), our main focus being Business activity.

Also from Enrique, Stephanie learnt that a study is launched by EC on Consumer Credit but it remains a mapping exercise at this stage, no revision awaited before 2019. As well ACCIS is not very active on Free Flow of Data issue.

Regarding the **“4 party meeting”,** Alexandre Giraud left Eurofinas and a new legal advisor is in place. Activity of this 4 party is not very important but informal exchanges remains very positive with the correspondents.

Claire asks Stephanie to look any info on **AI and algorithms** as France already published a report on that and reflexion is running on that topic.

Stephanie confirms and add that EC is to present the review on **PSI Directive** on Data package, transparency… witch will add new food for thought to our plate. Luis mentions also BIIA interest for such topics.

Coming back on the **Road Map on Public Reporting**, Stephanie still awaits concrete examples and call for them during Madrid Spring Meeting. Luis confirms we have to pay attention to the Public reporting position paper as it may say something we could benefit from. Georg who participates to the PSI hearing said that Public Credit Reporting was not an issue during the hearing.

Stephanie mentions also the **“New Consumer Deal”** focusing on advertising, communication and media and opening class action opportunities to consumers, which may be used to address the grey zone “consumers-traders”

Nathalie mentions she will attend the **« B2B late payment Workshop »** in Brussels on April 25th and give a feed back to the group.

End of the meeting