

REFORMS AND DEVELOPMENTS IN CREDIT INFORMATION SYSTEM IN VIETNAM

Le Anh Tuan

**Director of Research, Development and Marketing Division -
National Credit Information Centre of Vietnam**

CONTENTS



1

Vietnam Credit Information System

2

The latest reforms in National Credit Information System

3

CIC support policies during the Covid-19 pandemic



Public Credit Registry CIC



Private Credit Bureau PCB

Operational objectives

- Working for the purpose of safety and stability of the national financial system.

- Working for profit based on the market's demand and supply as well as the participant's benefits.

Legal framework

- Circular issued by SBV: Credit Institutions are mandated to report both positive and negative information to CIC.

- Decree issued by the Government: Participating organizations share both positive and negative information voluntarily, on a reciprocal basis.

Participants/ End Users

- Central Bank, Government Agencies
- Credit Institutions, Voluntary Organizations
- Data subjects

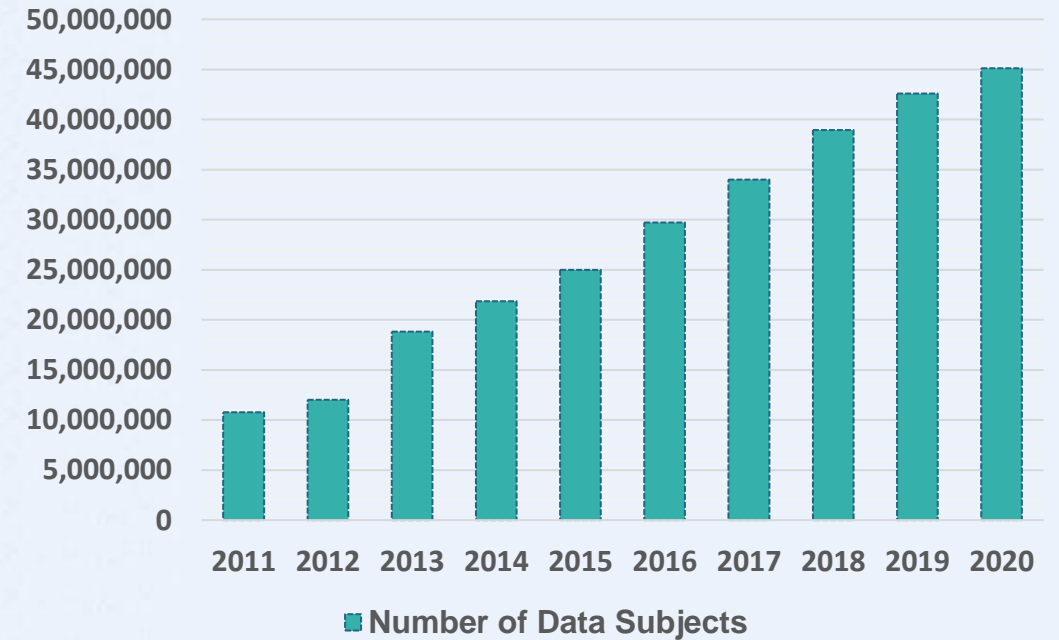
- Credit Institutions
- Regulated Information-sharing Organizations
- Data Subjects

2.1

Reform of the National Database of Credit Information



Table 2.1. The increasing number of data subjects



Source: CIC database

2.2

Reform of IT Infrastructure



Upgrading the system, improving the information supplying process



Developing information security policies, ensure a safe and effective system



Diversifying distribution channels to provide products (H2H, web, apps, etc.)



Application of new IT solutions such as Machine Learning, eKYC, QR code, etc.



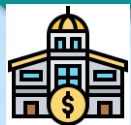
Contact Center Customer Support System

2.3

Reform of Credit Information Products and Services

► CIC PRODUCTS AND SERVICES

Report for SBV's Board of Directors' managing purpose, or SBV units' monitoring purpose



Report to Government managing units



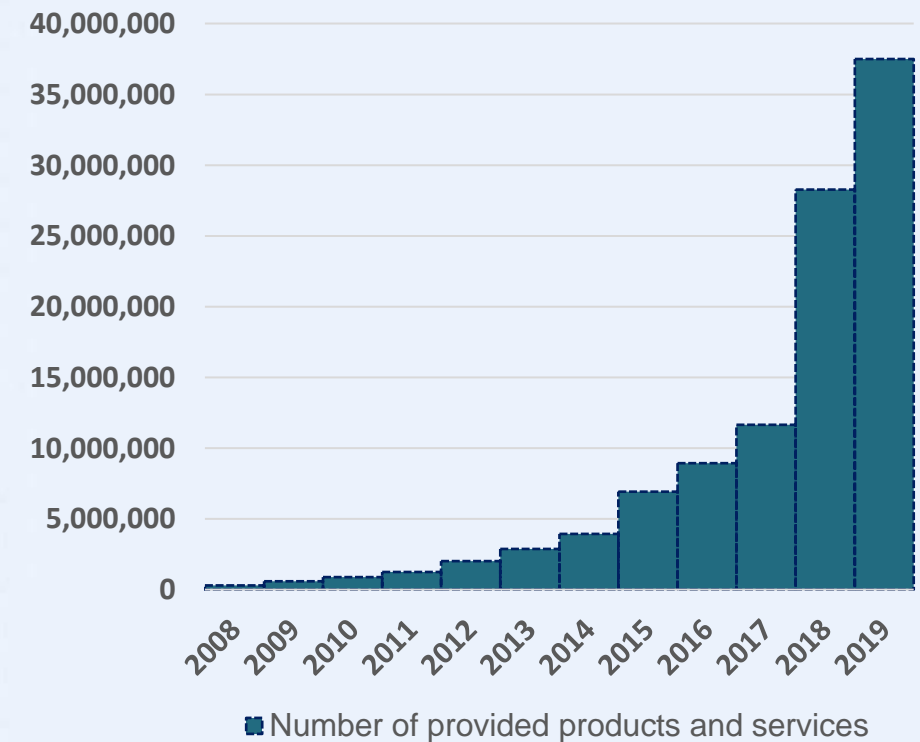
Products for credit institutions



Products for Borrowers



Table 2.2. The increasing number of the provided products and services



Source: CIC database

2.3

Reform of Credit Information Products and Services



**Mechanisms for monitoring and evaluating the performance of CIC;
CIC's service quality will be evaluated by the Users annually.**



Creating more VAT products: credit report upon request, corporate credit rating report, individual credit scoring report, credit warning report.



Policies of reducing prices or preferential fees for information exploitation in order to support credit institutions in business operation by contributing to reducing operating costs and lending interest rates.

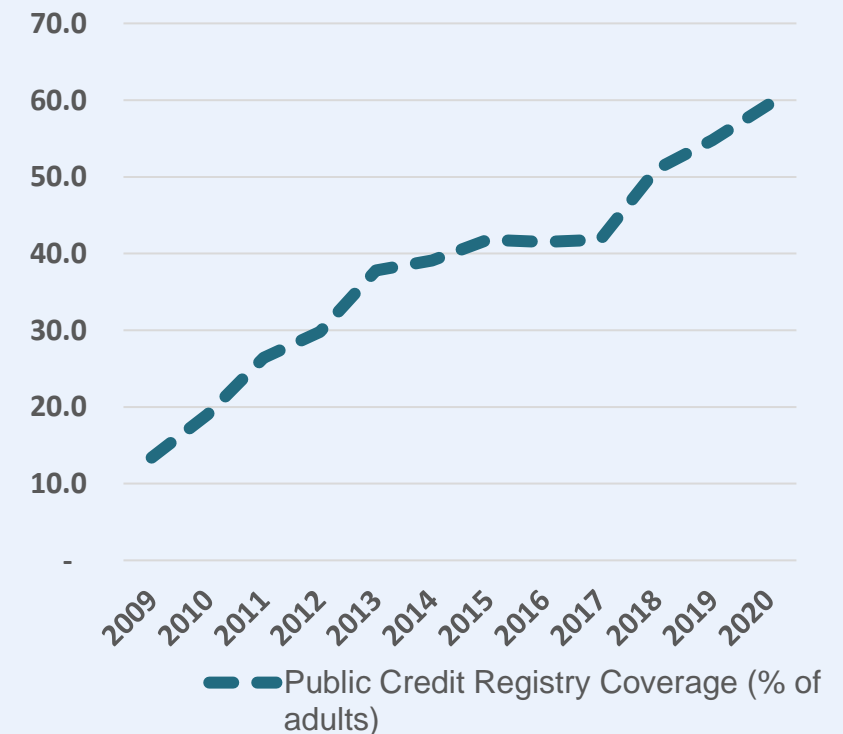
2.4

Reform of the Depth of Credit Information Index



Year	Rank	Depth of Credit Information Index (0-6) (old method 2009-2014)	Depth of Credit Information Index (0-8) (new method 2015 - now)	Public Credit Registry Coverage (% of adults)	Private Credit Bureau Coverage (% of adults)
2009	43	4		13.4	0
2010	30	4		19.0	0
2011	15	4		26.4	0
2012	24	4		29.8	0
2013	40	4		37.8	0
2014	42	4	6	39.1	0
2015	36		6	41.8	1.4
2016	28		7	41.5	6.9
2017	32		7	41.8	14.8
2018	29		7	51	19.7
2019	32		7	54.8	29.5
2020	25		8	59.4	20.6

Public Credit Registry Coverage 2009 - 2020



Source: Doing Business – World Bank Group

3

CIC SUPPORT POLICY DURING THE COVID-19 PANDEMIC

1

Reduction of service charges for credit institutions

Updating information of customer affected by Covid 19 according to Circular 01/2020/TT-SBV

3

2

Free of charges at Customer Connecting Gateway (apps: CIC Credit Connect)

4

Completing Contact Center support system

CONCLUSION

So with the above reforms, CIC has well implemented the tasks assigned in the Government's Resolutions, affirming its role as a pillar of Vietnam's financial infrastructure, helping the market grow with high quality:

- Expanding the coverage of the Credit Reporting System to outside the industry, diversifying data sources for credit institutions to evaluate borrowers;
- Helping Vietnam achieve maximum score in Depth of credit information index, achieving high ranking in the World Bank Group – Doing Business report;
- Providing effective information to credit institutions to grant credit to SMEs;
- Actively supporting for borrowers, especially SMEs with access to genuine financial resources, ready to recover from the Covid pandemic.



THANK YOU!