

Central Bank of The Bahamas' Responses to Questions on the Request for Proposal (RFP)

to

Establish and Operate a Private Credit Bureau in the Commonwealth of The Bahamas

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1	3.5	Pag. 2	The system must be capable of processing positive and negative data sourced from both banks and non-banking entities (e.g., providers of leasing finance, public sector lenders, insurance companies, credit unions, telecommunication companies, utilities and microfinance providers, etc.);	Are the insurance entities considered as data contributors to the CB, required to provide monthly data batches or are they entities entitled to enquiry the CB without any contribution obligation?	The Credit Reporting Act, 2018 (the CRA) in section 18 requires insurance entities that extend credit to provide data subject information to the Credit Bureau on an ongoing basis.
2	3.6	Pag. 2	The Credit Reporting Act, 2018, allows for a local presence or an alternative Hub & Spokes model, where the core platform resides outside of the territory of The Bahamas, leveraging shared services. In the event of a remote data centre, a local sales and support office must be incorporated in The Bahamas under the Companies Act of 1992, to interact with the local banks and other credit information providers, to ensure consistent and accurate delivery of data, self-	Could you please clarify whether or not, under the "Hub & Spoke" model, the application for getting a license as credit bureau may be filed also by a foreign company (i.e. not incorporated in the Bahamas) which satisfies the minimum capital requirements, and not only by a company incorporated under the laws of the Bahamas?	A foreign company need not be incorporated in The Bahamas to obtain a Credit Bureau licence. Under the CRA, such a company, if successful, must however be registered under section 172 of the Companies Act, 1992.

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			inquiry access and dispute resolution, on a timely basis		
3	3.7	Pag. 3	The first phase will focus only on the consumer credit market, but the solution must be flexible enough to accommodate commercial credit reporting, as required by users of the credit bureau	<p>Could you kindly expand the concept of Commercial Credit Reporting?</p> <p>Considering that elements related to the Corporate segment are mentioned throughout the RFP, please confirm that the CB solution will manage both Consumer and Corporate Business segments.</p>	It is anticipated that the Credit Bureau would initially engage in consumer credit reporting and include reporting for small and medium-sized enterprises in response to demand from Credit Bureau users.
4	3.8	Pag 3	Investments are expected to be made in the form of cash that the vendor shall bring in for the credit bureau establishment, and not be under the form of Software License Agreements (SLA), or development fees, or service fees or any other related fees, items or assets. Capital must cover the costs of establishing and operating the credit bureau for at least the first five years	Could you please clarify which is the minimum fresh capital investment the selected bidder is expected to bring in for the local company establishment?	Given that the applicants responding to the RFP will have different operating models and infrastructural frameworks, the appropriate minimum capital investment will be assessed, so that it sustains the business model from the startup phase to the point at which net operating surpluses are expected.
5	4.4	Pag. 3	The technical component of the RFP will be evaluated by an Evaluation Committee. The Evaluation Committee will comprise one (1) representative each from the Central Bank of The Bahamas, the Clearing Banks	<p>Could you please Confirm that the Central Bank of Bahamas will be the sole authority to supervise the Credit Bureau activity?</p> <p>Could you kindly specify what will be the role of the Evaluation Committee following the project assignment?</p>	<p>Under section 3 of the CRA, the Central Bank is the sole supervisory authority for Credit Bureaus.</p> <p>The Evaluation Committee's role in the project will come to an end following the shortlisting of</p>

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			Association and the Bahamas Chamber of Commerce		candidates that responded to the RFP.
6	8.1	Pag. 7	<p>As the long-term success and efficiency of the credit information system is dependent more on the operational and organizational rules and principles, than on the actual technological solution, the vendor will be expected to provide extensive services in all of the following technical and/or business areas:</p> <ul style="list-style-type: none"> • <i>legislation support (personal data protection, consumer protection, antimonopoly, etc.)</i> 	With regard to article 8.1 of the RFP, could you please clarify to whom the "legislation support" should be specifically addressed?	"Legislation support" refers to the consumer protection measures which a Credit Bureau is required to implement under the CRA.
7	8.7.1	Pag 9	The proposal must describe the tools that will be provided by the vendor to extract, transform and /or prepare the original data input file from the data providers to a common input file format agreed upon with all the stakeholders.	Since we guess that the reason of the requirement is that some <i>data</i> contributors may not have the technical availability to create the input file agreed for the Credit Bureau (if this is not the reason, please clarify it), could you kindly let us know how many Provider could need it? Could you let us know if they are using some specific Core Banking software (if yes which is this software)?	The number of providers needing this support could vary. However the Credit Bureau must have the capacity to receive data in compatible automated formats whether provider generated to the Bureau's exact specification, or in intermediate formats that the Bureau is able convert to the Bureau's final specification. In the latter case the Bureau will have to provide the interface data input and transformation tools.

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8	8.7.1	Pag 9	Subsequently there may be the need to create interfaces to databases of nontraditional data providers, such as the utility and telecom companies. A description of the tools that will be applied to enable this interface should also be provided in the proposal.	Could you highlight the main peculiarities of a nontraditional data providers core system giving rise to the development of an alternative database interface?	The Credit Bureau would need to engage stakeholders to ascertain this information. However, this amounts to whether providers have the internal capacity for automated data transmission or require Bureau maintained data portals. See response at (7) above.
9	8.11	Pag 10	Pricing Policy. Each vendor must provide examples of pricing policy from one or two other similar environments, to enable the Central Bank of The Bahamas and other stakeholders to understand what factors are taken into account while determining pricing. Indicate any subscriber fees, annual fees or other fees that are charged	Considering that in the Credit Reporting Act, paragraph 4 (1) (c) is stated that the "Central Banks has the power to issue standards and targets regarding the provision of credit reporting services", would you please confirm whether the pricing policy will be solely decided by the Central Bank? We can normally start from similar country size benchmarks, but the real moment in which the pricing is designed is the country assessment. Can you please confirm whether the disclosed pricing policy will be sufficient or if a pricing schema will be considered binding for the proposal? Please specify the evaluation criteria for the Pricing policy included in Annex 5.	The Central Bank would wish to understand what the vendor's pricing policy would be and would expect the vendor to provide a best estimate based on available data. The Central Bank will not determine the pricing policy.
10	9.5	Pag 12	Access to third party DB	Are there third party DataBase available in the Bahamas that provides validation/normalization of Id codes, addresses or names?	While some government institutions have third party databases that house identification data, these are

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				<p>Could you kindly list the Third Party DB available and if they are provided by local government or private companies?</p>	<p>generally not accessible by the public. The Credit Bureau would have to engage relevant third party stakeholders such as the National Insurance Board and the Registrar of Companies to access their databases.</p>
	9.12	Pag 14	<p>Standard System Reports and Data Presentation Facilities. Reports generated for bureau users should contain only data related to that user while reports generated by bureau staff should contain all member data. Please confirm if the system will provide the following standard reports/data presentation facilities for use in data analysis</p>	<p>Please confirm what do you mean with Bureau Users; are Bureau Users identified as data contributors such as licensed banks and licensed entities?</p>	<p>Bureau "users" include credit information providers such as banks and insurance companies. This term also includes entities that do not contribute information to the Credit Bureau, but who would request credit reports with the consent of data subjects. The CRA defines "users" in section 2.</p>
11	11.9	Pag. 17	<p>Cost of ownership for first five years. Vendors must outline their overall cost structure, including any license fees, maintenance and support fees, royalties, consultancy or other costs, plus any hardware and/or related software requirements. The overall cost of ownership will be measured for the first five years with effect from the date of contract signing.</p>	<p>Can you please clarify how the cost of ownership for the 5 years relates to the Warranty period conveyed in the Annex 4 - Financial proposal submission form?</p>	<p>The cost of ownership should take account of likely upgrades following the expiration of the warranty period.</p>

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12	N/A	Annex 2		<p>Please clarify whether, in case of acceptance of its proposal, the bidder would be allowed to know, discuss and negotiate in advance with the Central Bank the requirements and the final terms and conditions of the license to be granted by the Central Bank for the establishment, management and operation of the credit bureau and, whether the proposal, including the undertakings provided in the Offer Letter (Annexure 2 to the RFP), shall be deemed subject to final agreement of the selected bidder on such terms and conditions. If this is the case, would you accept a slight integration of said Offer Letter to reflect the above?</p>	<p>Any terms or conditions which the Central Bank intends to impose on a Credit Bureau's licence would be discussed with the vendor prior to the issue of the licence. However, the scope of negotiations may not confer advantages or disadvantages that may change the competitive ranking of a proposal, ex post.</p>
13	1.4	Pag. 7- Annex 5	<p>Reference is made to Datasheet Annex 5 : "The contracted vendor will be expected to enter into a support and maintenance agreement with The Central Bank of The Bahamas for the provision of on-going system support for a minimum period of five years".</p>	<p>Could you please disclose the overall terms of the license and maintenance agreement?</p>	<p>The terms of the maintenance arrangements will be negotiated. However, the Bureau will be required to provide the Central Bank with the necessary data to monitor data passing through the Credit Bureau, according to the format that would be specified or agreed from time to time with the Central Bank.</p>

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14	N/A	Credit Reporting Act 2018	Credit Reporting Act 2018	Could you please confirm that both the Credit Reporting ACT 2018 and the RFP we are currently responding to do not oblige data providers to submit any inquiry the licensed Credit Bureau?	The CRA makes it mandatory for specified credit information providers to submit information to the Credit Bureau. Please see section 18 of the CRA. There is no mandatory obligation for these providers to request credit reports from the Credit Bureau.
15	25(4)	Pag. 41	<p>In the Credit Reporting act it is stated:</p> <p>-in Section 25(4): The consent of a data subject, where there is a contract representing the credit relationship between credit provider and the data subject expires upon the termination of the contract</p> <p>-In Section 27 (1): A credit bureau that obtains credit information in relation to the credit extended to or respect of a data subject shall not disclose such information for a period longer than five years after the date of termination or settlement of such credit</p>	Could you please confirm that the retention time of credit agreements held on the credit bureau is 5 years after the termination of the contract (as stated in section 27(1))? even if the consent expires upon the termination of the contract (as stated in section 25(4))	Under the CRA a Credit Bureau may continue to disclose information about credit extended to or in respect of a data subject for a period of five years after the termination or settlement of such credit. Such disclosure may continue whether or not the data subject's consent has expired.
16				Is the Inquiry to the new Private Credit Bureau (PCB) mandatory	Under the CRA it is not mandatory for banks or other credit

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				according the current laws for all Banks, for each new Applicant?	information providers to request credit reports from the Credit Bureau. The commercial banks and other credit information providers are, however, very interested in being able to obtain credit reports from the Credit Bureau.
17				How many new Applicants / Inquiries for the loan new PCB should expect monthly from whole Banking sector? What is the estimated grow for next 3 years?	The number of loan accounts registered in the domestic banking system totaled 247, 871 for year ended 2017. Over the past five years, the number of loan accounts have increased by 1,564. Credit growth is expected to remain at less than 3% per annum over the next 3 years. According to the Central Bank's Lending Conditions survey, on an annual basis new credit applications have averaged 45,800 per year since 2015. The rate of applications is expected to track the total growth in bank credit accounts.
18				Is the regular monthly Data provision to new PCB mandatory according the current laws for all Banks?	The CRA mandates that banks provide data to the Credit Bureau, however the frequency of such submissions would be subject to agreement between each participating bank and the Credit Bureau.

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19				Will it be mandatory for Banks to send to new PCB also historical information about contracts and payment behaviour of customers, from last 2-3 years? If it is not mandatory, will it be possible from legal point of view?	Banks will be mandated to forward data subject credit information from the date the Credit Reporting Act comes into force.
20				Is it necessary to collect Consent of Consumer with provision of personal and contractual data to new PCB? If yes, do Banks collect those Consents already now?	Customer consent is required under the CRA before a credit provider may access the customer's credit report but as noted at item 14 – no customer consent is required for the customer's credit data to be submitted to the Credit Bureau by the entities listed in section 18 of the CRA.
21				Will be possible to migrate the information from any existing systems of Central Bank or other public and governmental sources to the new PCB? Are there any special legal or/and technical conditions?	The new Credit Bureau will have to engage public stakeholders to put in place arrangements to access their databases. The Central Bank does not maintain databases with data subject credit information.
22				Is Central Bank using now any kind of reporting system for Banking Regulatory and Supervision purposes? How banks communicate with such system, using online Web Services? Can we migrate a part of this database?	The Bank has a custom reporting solution consisting of a filing/submission solution (Vizor) and a business intelligence platform (Cognos Analytics) that we term ORIMS (for Online Reporting and Information Management Solution). Banks

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					<p>upload Excel and PDF files to the system using a secure portal. The solution does have web services capabilities but this will require some minimal configuration.</p>
23				<p>Non-banking system users such as Insurance companies, Mobile Telephone Operators and Utilities: will they be obliged to provide the data to new PCB? Will they be obliged to make inquiries on each Applicant? Are they legally allowed to share full scope of positive/negative data of Customers with all other types of PCB members?</p>	<p>Section 18 of the CRA lists all of the entities that are mandated to provide data to the Credit Bureau and these include insurance companies. Under the CRA it is not mandatory for users to request credit reports from the Credit Bureau.</p> <p>With regard to mobile telephone operators and utilities – the Central Bank may, pursuant to section 18(2) of the CRA, designate these entities as credit information providers. Upon such designation, it would be mandatory for mobile operators and utilities to submit customer credit information to the Credit Bureau.</p> <p>The CRA does provide for the credit bureau to collect both positive and negative information.</p>

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24				How currently Banks recognize Customers, what personal information are available and used today by Banks?	Banks typically obtain identification information on customers in line with the anti-money laundering laws of The Bahamas, such as a customer's name, date and place of birth and residential address.
25				Are there any restrictions or regulations expected regarding the Pricing schema offered by PCB to its Users?	The Central Bank would expect the Credit Bureau to offer a pricing schema that is reasonable and affordable for the local market.
26				Will be just one License for PCB issued or multiple licenses for different vendors can be expected?	The Central Bank intends to licence only one Credit Bureau for the foreseeable future.
27				What is the expected timeline of the whole project?	The projected timeline for completion of the project is twenty-four months from the date the Credit Bureau is licensed to the issue of the first credit report.