



MEMBERSHIP GUIDE

Why you need to join the Association of Kenya Credit Providers

VALUE PROPOSITION

AKCP will seek to be at the nerve centre of all Credit Information Sharing (CIS) activities. As the authoritative voice on CIS, it will lead in knowledge dissemination and coordination in matters of CIS. Accordingly AKCP's Winning Service Proposition is:-


We provide leadership in Credit Information Sharing through advocacy, developing standards, creating awareness and enhancing risk management for the growth of a quality credit market.

In order to deliver value to its members as envisioned in the 2015-2019 Strategic Plan, AKCP will undertake **five main Strategic Priorities** summarised below.

1 INSTITUTION BUILDING:

What we promise: To build an organisation that is adequately resourced and networked to deliver value to stakeholders and protection of consumers. AKCP is currently in its infancy. This priority emphasizes the need for AKCP to mobilise funding, form strategic partnerships and invest sufficiently in people and assets to ensure it is able to deliver on its mandate. The Association will leverage on its strong linkages with regulators, other industry associations, credit reference bureaus and funding partners to continually improve its offering to members. In order to preserve confidence of disgruntled consumers, AKCP will provide an incubation environment for development of an independent CIS Alternative Dispute Resolution Centre for handling disputes that arise between the participants of the CIS mechanism.





How will this benefit you? As a member, you will formally join a CIS environment that is supported by sound formal structures and with the guidance of a credible Governing Council and a strong team of professionals. The Secretariat will ensure that you are formally recognised as a player in the CIS space. Through committees and the Annual General Meetings, you will have a platform to ensure that your voice is heard. You need a system that engages positively with policy makers, industry associations and credit bureaus. Through formal membership, you avoid perceptions of a back-door participant, who may not be playing by the rules. Where your customers are disgruntled regarding contents of their credit reports, the ADR structures we promote will ensure that disputes are resolved without injuring your relationship with your customer, avoiding expensive and protracted court processes, and enjoying the goodwill of the Judiciary that appreciates our efforts to decongest the court system.



We provide leadership in Credit Information Sharing through advocacy, developing standards, creating awareness and enhancing risk management for the growth of a quality credit market.

Ultimately: AKCP strengthens your brand. Your customers are aware that your credit management systems are comparable to the best in the market. Serial defaulters stay away. Your relationship with disputing customers is not broken.

2 LEGAL REFORM:

What we promise: To champion the continuous review of the legal and regulatory framework for CIS. Under this priority area, AKCP will lobby for the enactment of an overarching legislation on CIS, or its equivalent. This will seek open up the CIS mechanism to any credit provider, Regulated and Non-regulated alike. Fortunately, consumer consent is the strongest basis for sharing data, and is therefore an underlying expectation for credit providers that are not mandated by law. Currently, legislation on

CIS is scattered and requires consolidation, so that it does not pose an impediment to the expansion of the mechanism for greater effectiveness. In order to minimise compliance issues and create a level-playing field for all members, the Association has developed and will continually implement a Self-Regulatory framework to govern participation in the CIS mechanism.

How will this benefit you? Clarity and completeness of the legal framework enhances protection and minimises ambiguity in operations of the mechanism. It also anchors CIS well within Government's policy structures. AKCP will lobby for legal reform and ensure stakeholder contribution is achieved. As a user of the CRB information, you will be interested in growth of the database so that the reports are comprehensive, which is only achievable if the scope of players is expanded and the data they contribute is rich. Because the majority of credit providers will be non-regulated, you will be keen on a sound self-regulatory framework that promotes reciprocity, completeness, accuracy and timeliness of data submissions. To ensure such a level-playing field is achieved, AKCP will implement a Code of Conduct that places clear expectations on all members, whether full, associate or affiliate, complete with an enforcement mechanism.

Ultimately: Strengthened legal environment. Potential mischief among participating institutions is minimised. Customers have less concerns about credibility of the system.

3 CAPACITY BUILDING:

What we promise: To empower and expand the range of credit providers to share and use quality data to enhance risk management and product innovation. Under this priority, AKCP jointly with other partners, will run workshops and



arrange institution-specific programs to promote understanding of how to participate effectively. The Association is keen on improvement of data accuracy and positive use of credit information to appraise risk for the benefit of credit consumers. It is also committed to move CIS to the next level, from compliance-based data submission to conscious building of information capital that is useful for product development and innovation. To this end, AKCP undertakes to coordinate efforts that will improve the capacity of various players in the CIS mechanism.

The Association will seek to ensure standardisation in the CRB's credit scoring methods with an objective of having a common interpretation of the scores.

How will this benefit you? Simplify the process of data submission through a "Data Hub". The data templates, data extraction procedures, submission process and CRB products and services will be made clear. With credit information readily available, you will speed up turnaround time for credit decisions with assurance of lower default rates. You will also achieve consistency and objectivity in recommendations made by credit analysts. At the tail end of the credit life-cycle, debt recovery will be less costly.

Ultimately: The quality of your data will be greatly improved. Your credit management systems will be enhanced. You will price risk better. Your product range will be greater and customer satisfaction will rise.

4 COMMUNICATION & PUBLIC AWARENESS:

What we promise: To create awareness through communication messages aimed at educating and empowering the credit consumer to access and use their credit scores. The pursuit of this priority will require AKCP to develop and implement an effective communication campaign. It is envisaged that, as a result, credit consumers will be as familiar with their credit scores as they are with their mobile phone numbers. Through sensitisation, they will

be empowered to use CIS for their benefit, whilst credit providers will be enlightened on the broader applications of CIS beyond managing or avoiding Non-performing loans. We are seeking a positive attitude towards CIS based on a clear understanding of its benefits to borrowers, lenders and the economy at large.

How will this benefit you? Enlightened consumers are contented customers. They will repay their debts more promptly in order to improve their scores, so that they enjoy better terms in their next loans. You will find more cooperation from customers in updating their records with you, and because they will check their credit reports more regularly, any errors in your records or in other institutions will be pointed out quickly for a more credible system.

Ultimately: Greater support by customers, better loan book, lower cost of security perfection, and more accurate data in credit providers records (KYC).

5 KNOWLEDGE GENERATION

What we promise: To drive the CIS research agenda in collaboration with experts and stakeholders in order to inform implementation of strategy. This priority will ensure that AKCP is the regional thought-leader in CIS, demonstrating its economic and social benefits to the public. The research outcomes will also inform further ongoing advocacy for legal reform, communication campaigns and the capacity building curriculum in the life of this strategy and beyond.

How will this benefit you? You will have access to information on trends in the credit market, impact of CIS on performance of the credit market and global trends on CIS.

Ultimately: Better understanding of your external environment for strategic planning and response.



So, how do I become a member of AKCP?

AKCP MEMBERSHIP CRITERIA CHECKLIST

MEMBERSHIP CATEGORIES:

Full Member: are typically credit providers and participate in data reciprocity arrangements. Enjoy voting rights and can be elected to any of AKCP's decision making committees..

Associate Members: are typically service providers that provide data services to credit providers. Restricted to licensed Credit Reference Bureaus only, have no voting rights and are not involved in any of AKCP's decision making committees.

Affiliate Members: have no voting rights and are not involved in any of AKCP's decision making committees. This category also includes donors and regulatory authorities as observers

- | | | | |
|--|-------------------------------------|--|--------------------------|
| 1. Fill AKCP's membership Application Form | <input checked="" type="checkbox"/> | g) Irrevocable undertaking to abide by AKCP's Constitution, Code of Conduct and guidelines at all times | <input type="checkbox"/> |
| 2. AKCP reviews your application and if need be, it may call for further clarification/documentation | <input type="checkbox"/> | 4. The Technical Committee of AKCP reviews the application and its decision is communicated to the applicant by the secretariat within 14 days. | <input type="checkbox"/> |
| 3. The documents required under the application form include; | | 5. If applicant is admitted, AKCP avails a copy of the Code of conduct and Constitution to the applicant and calls for subscription and joining fee within 30 days of joining. | <input type="checkbox"/> |
| a) A copy of the Registration Certificate | <input type="checkbox"/> | 6. If not admitted, AKCP returns the documents above | <input type="checkbox"/> |
| b) A copy of KRA PIN Certificate | <input type="checkbox"/> | 7. If admitted, AKCP issues membership certificate and begins capacity review of the member to prepare the member for data submission | <input type="checkbox"/> |
| c) A copy of the Company's/Credit Provider's Profile | <input type="checkbox"/> | | |
| d) A copy of Audited Accounts as at 31st December 20..... | <input type="checkbox"/> | | |
| e) Total loan book (in value) Ksh..... | | | |
| f) Total number of loan accounts..... | | | |

SUMMARY OF SUBSCRIPTION STRUCTURE

Type of Member	Registration Fees (KES)		Annual Subscription Fees (KES)	
	Minimum	Maximum	Minimum	Maximum
Full Member	50,000/-	100,000/-	50,000/-	250,000/-
Associate Member	100,000/-	-	200,000/-	-
*Affiliate Member	* 50,000/-	*100,000/-	*50,000/-	*200,000/-

**Fees are not applicable to donor agencies and regulators.*

Association of Kenya Credit Providers,

Located at The Kenya School of Monetary Studies (KSMS), Mathare North Road, Off Thika Road Nairobi, Kenya.

T: +254 20 2652308 /8646267 • **E:** info@ciskenya.co.ke • **W:** www.ciskenya.co.ke