



Kenya Virtual CIS Conference 2021

Program to support non-banks to join the CIS Framework



9th March 2021

Situation

- CBK concerns over some non-banks participants
- Compliance issues - data quality, consumer protection

Opportunity

- CRB Regulations provide for Code of Conduct
- CRB Regulations provide for Validation Tool

CIS K Proposition

- Support the Regulator in addressing concerns
- Facilitate best practice amongst non-banks
- Smooth admission of non-banks

Approach

- Develop Industry Code of Conduct approved by CBK
- Develop thorough on-boarding procedures

Achievements in 2020



- Drafted Code of Conduct and submitted for CBK approval
- Developed draft On-boarding Procedures
- Undertook pilot to test the Procedures and build CIS Kenya capacity

Status of Initiatives

a) Code of Conduct

- CBK comments received and incorporated
 - CBK approval awaited

b) On-boarding Procedures

- Submitted as part of the Code of Conduct awaiting final approval

c) Pilot Project

- 41 credit providers participated over a 6-months period

Outcome of the Pilot



Onboarding Procedures

- Procedures were refined and finalized
- Procedures are elaborate and fit for purpose

The following are the areas that the procedure manual intends to achieve:



Physical Location

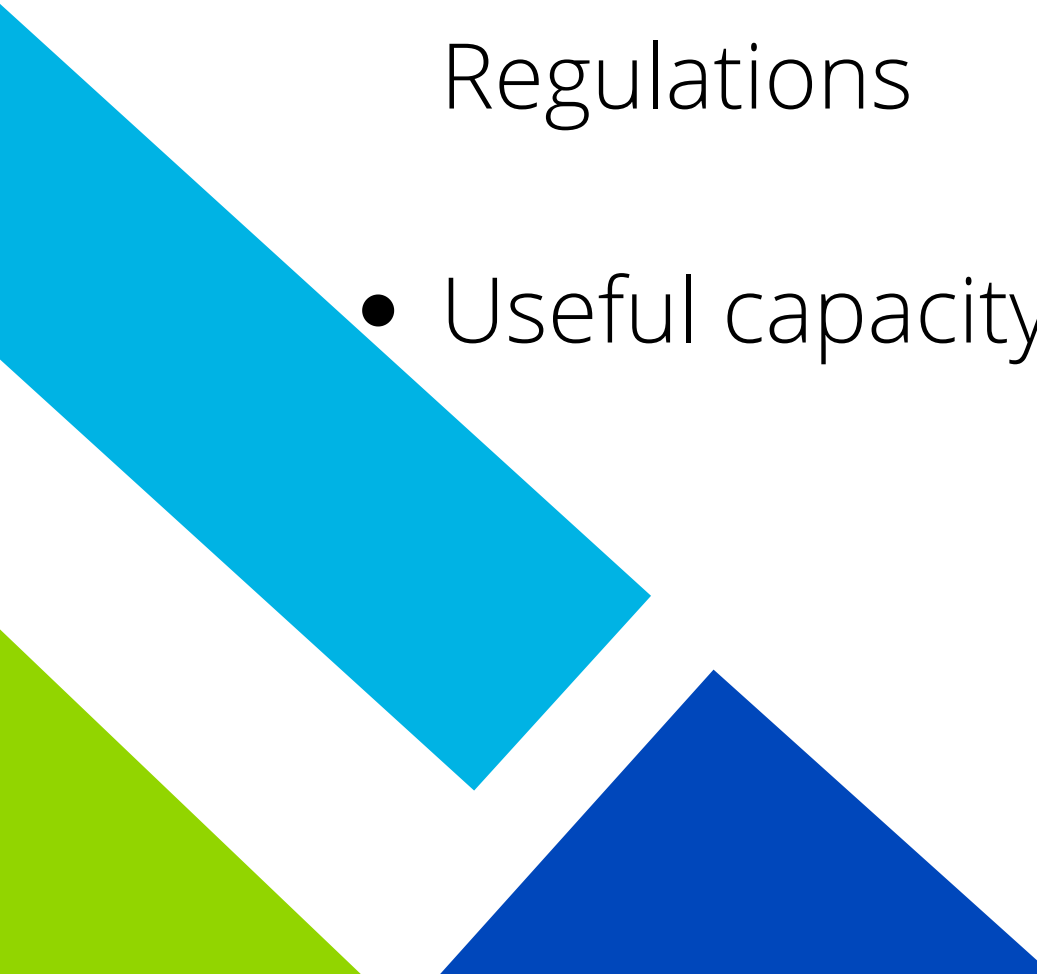


Human Resource
Allocation



Data Quality
Threshold

Benefits to new entrants

- 41 credit providers participated
 - New entrants now have a systematic, step-by-step guideline
 - Effective in supporting credit providers comply with CRB Regulations
 - Useful capacity-building tool
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Major Strengths & Challenges Among Pilot Participants

Strength

- Implementing a sector-specific approach of onboarding is more effective

Challenges

- Internal decision-making processes are bureaucratic
- Lack of staff dedicated to managing the process
- Deficient loan management systems incapable of extracting customer data



Benefits to Industry

- The capacity to support effective on-boarding has been fully established
- Procedures provide a streamlined and objective assessment process

In conclusion: Pilot offered successful POC



www.ciskenya.co.ke

Thank you!

Job Mariga

job.mariga@ciskenya.co.ke