

MEMORANDUM

To: Louay Samouie, (USAID/Iraq), Contracting Officer's Representative

CC: Greg Maassen, Chief of Party, Financial Development Project
Timothy Shumaker, Deputy Chief of Party, Financial Development Project
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From: Florence Faye, Program Manager, AECOM International Development

Date: 13 September 2013

Re: **Deliverable Approval: 2.1.6 Sources of Data and Data Requirements for Launch of Credit Bureau Resolved**

In accordance with USAID/Iraq Financial Development Project (FDP) Contract Number 267-C-00-10-00005-00, clause F.6.B Reporting and Deliverables Matrices, AECOM International Development is pleased to submit Deliverable 2.1.6: "Sources of Data and Data Requirements for Launch of Credit Bureau Resolved" for COR review and approval.

Background

Through Component 2 of FDP, the project aims to improve the development of the financial sector via institution-building and targeted reforms. The current Central Bank of Iraq (CBI), aims to develop the outdated Credit Registry into a modern Credit Information Bureau (CIB) with a modern and internationally-recognized facility. The CIB will support and enhance bank lending in both the consumer and corporate markets. A fully modernized CIB will support the stakeholders' decision-making processes, so that banks will be able to lend funds with less risk, thereby encouraging economic growth in Iraq. In order to have an operational CIB, FDP designed a standardized format that will be imported into a validation and migration program to allow the data to be uploaded from banks and other financial institutions.

Deliverable 2.1.6

The Component 2 Deliverable 2.1.6 "Sources of Data and Data Requirements for Launch of Credit Bureau Resolved" is attached to this memo. This deliverable chronicles the steps necessary for the financial institutions to record and analyze credit information. The deliverable also identifies and standardizes the information that banks and other financial institutions need to collect from consumers and corporations in order to process credit reports. It will provide a validation and migration program to allow the data to be uploaded from banks and other financial institutions to a central system.

As a part of Deliverable 2.1.6, FDP:

- a) Developed commercial bank data validation program.
- b) Developed an action plan to:
 1. Include automated private bank data as part of the CBI registry, and
 2. Include Microfinance Institution (MFI) data as part of CBI Credit Bureau.

The attached CIB Database External Interface is designed to expedite the system upgrade in Iraq by identifying the information available first, before the supplier of the system is selected instead of after. The first two sheets of the attachment highlight the existing credit information systems in Iraq and the information (identified by colored cells) that each source collects from consumers and/or corporations. The banks then collect the Consumer and Corporate Credit Information (sheets 3 and 4) to populate the database and submit the information to the CIB. The information provided by the banks is matched against the existing credit information databases (sheets 1 and 2) to verify the lender's identity and flag potential fraudulent actions. This process is known as a *commercial bank validation program*.

The CIB Database External Interface was distributed to all banks in December. On May 2, 2013, Acting Director General, Abdul Abbas Khalaf Sultan, of the Banking and Supervision Directorate, instructed all licensed banks to complete the data survey. The banks will confirm which fields they already have on record from sheets 3 and 4. If the banks are lacking any of the information which require verification, they can obtain the data through other data sources shown on the 'Non-Bank' worksheets (sheets 1 and 2); thus enabling the Data Structure Manual to be created. This manual will contain test (depersonalized) data and be part of the Request for Proposals (RFP) for suppliers of the CIB software system. The manual will offer Technical Provider respondents critical details to know exactly how to design the system which will include the Data Validation Software for automated processing of 'live data.'

To develop the commercial bank data validation program, data from the banks will be analyzed prior to loading it into the vendor supplied credit bureau database. This initial analysis includes determining that the banks carry all of the relevant data in their databases. The full breakdown of this process is documented in Attachment B: Milestone Summary & Deliverables. This document is the working project plan for the CIB system implementation process. It identifies the overarching milestone plan listing tasks, deliverables, anticipated end dates, and dependencies for implementation of the credit bureau. The development and implementation of the data validation program will be fully satisfied after system implementation, and is documented in the Milestone Summary, Number 15 (of 22) Deliverable 2 – Migrate Depersonalized Data to Test Environment.

In order to support ongoing data collection by banks that utilize the Credit Information Bureau, FDP will be conducting training courses on data capturing and data utilization for CIB participants. Although this deliverable was completed earlier this year, we are submitting at this time following the programming of training for CIB managers and users which begins in September 2013 at the Central Bank of Iraq's training facilities.

When the system is finally implemented, the flow chart on the last page of the attachments demonstrates how the institutions will work together to share the data and process credit reports.

Attachments:

Attachment A: Credit Information Bureau (CIB) Database External Interface Customer Data

1. Consumers Non-Banking
2. Corporate Non-Banking
3. Consumer Credit Information
4. Corporate Credit Information

Attachment B: Milestone Summary and Deliverables

1. Milestone Summary: Plan

Milestone 1: Prepare and Submit Business Plan Presentation to Banks/CBI

Milestone 2: MOU Required [Non Capital Commitment] from Investors to Establish: 1) Bureau 2) Company.

Milestone 3: Data Survey /Agree Data Structure & Prepare Data Structure Manual

Milestone 4: Complete Review of Legal Instructions and Prepare Guidelines /Code of Conduct/Agreement.

Milestone 5: Business Requirement Specification Prepared Using Data Structure Manual

Milestone 6: Public Relations Campaign-Part 1-Conference & Press Packs, Part 2-Press Release. Part 3-Press Conference.

Milestone 7: Agree Technical Specification and Identify Potential Providers

Milestone 8: Sample Test Data Capture – All Depersonalized

Milestone 9: Entrepreneurship : Thinktank, QA Programme and Training

Milestone 10: Administrative Systems & Designs to QA Standards Including Physical and Technical Security

Milestone 11: Communication & Networking Plan – Design including Users/Telephonic/E-mail/Electronic Circulars.

Milestone 12: Letters of Interest from (1) Technical Provider – System (2) Shareholders

Milestone 13: Prepare RFP & Send Out to Technical Provider

Milestone 14: System Review – Review Proposals with Design and Business Requirement: Approval: Development

Milestone 15: Network and Communications-Bureau Network- Telephonic, E-mail and Electronic Circulars

Milestone 16: Data Management-Upload of all Test Data from Each Bank

Milestone 17: System Implementation. Factory Test/Delivery/Local Test/Network Test/UAT-1/Stress Test/UAT-2

Milestone 18: System Implementation: Operating Systems/Hardware Implementation-Production & Back Up Test-Environment

Milestone 19: Production Data Migration to Production Environment and UAT-3

Milestone 20: User Training-Bureau and Bank Users-Access Privilege Issued to All Users (Credit/Data Processors/Bureau)

Milestone 21: Production Begins with All Banks

Milestone 22: Onward Product Development (Scorecard-Risk Alert-Strategy Management-Other)

Attachment C: Credit Bureau Structure

Attachment D: Letter from the Central Bank of Iraq Banking and Supervision Directorate
Credit Information Bureau No: 9\4\109 Dated May 2, 2013 (Arabic and
English)

USAID/Iraq Financial Development Project Deliverables		
	Deliverable	Status
1.3.1	A prioritized reform agenda for financial sector reforms developed by an association	Submitted and Approved
1.2.1	Training plan targeted to build the advocacy capacity of the industry association (s) developed	Submitted and Approved
1.2.2	Communications strategy for association(s) developed	Submitted and Approved
1.4.1	Association Linkages to University programs established	Submitted and Approved
2.1.1	Public-private Steering Committee for design of bank training institute and credit bureau established	Submitted and Approved
2.1.2	GOI commitment confirmed in writing in a manner acceptable to both CBI and USAID	Submitted and Approved
2.1.3	Iraqi driven credit bureau business plan and model developed	Submitted and Approved
2.2.1	Business plan and model for bank training institute	Submitted and Approved
2.3.1	Achievement of Phase 1 of the retail payment system	Submitted and Approved
3.1.1	Gap analysis of at least two existing business and finance University or College programs conducted	Submitted and Approved
3.3.1	Mechanisms for cooperation between the private sector and at least two existing business and finance University or Colleges in place	Submitted and Approved
2.1.4	Legal and regulatory requirements for credit bureau identified and recommendations for needed changes drafted	Submitted and Pending Approval
3.1.3	At least two additional universities or colleges added as counterparts	Submitted and Approved
2.1.6	Sources of data and data requirements for launch of credit bureau resolved	Submitted and Pending Approval
2.2.3	Training of Trainers and curriculum development underway	Submitted and Approved
2.2.5	Bank Training Institute expands number of courses offered	Submitted and Approved
1.3.2	GOI Champions for association reform agenda identified and engaged	Submitted and Pending Approval
3.3.2	Initiatives and Pilots that support student opportunity, such as scholarship and internship programs, career development centers, and entrepreneurship centers	Submitted and Approved
11.2	Provide the CBI with a complete Request for Proposal (with a translated version in Arabic) that will be issued to procure a new Retail Payment System that ensures interoperability and reciprocity between participating banks vis-à-vis ATMs, Point of Sale Mobile and Internet transactions; and assist with the selection of a vendor.	Submitted and Pending Approval
10.2	A complete legal and regulatory framework for establishing a credit bureau is submitted for approval to the CBI.	Submitted and Pending Approval
10.3	Develop the necessary business requirement (Technical and Administrative) specifications for a Request for Proposal that is issued by the CBI.	Submitted and Pending Approval
11.4	Assist with the selection of a vendor for the CBI to procure a comprehensive retail payments system that incorporates a solution for a National Switch model.	Submitted and Pending Approval
9.3	Training Curriculum approved by BSC steering committee that includes private sector stakeholders.	Submitted and Pending Approval
9.2	Banking Studies Center (BSC) branch is established in Basrah and/or Erbil	Submitted and Pending Approval



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Financial Development Project

Component 2 – Improve Development of the Financial Sector through Institution Building and Targeted Reforms

Intermediate Result 2.1

“A Legal and Regulatory Framework for Establishing a Credit Bureau is in Place and a Credit Bureau is Operational.”

Deliverable: 2.1.6 - “Sources of Data and Data Requirements for Launch of Credit Bureau Resolved.”

June 2013

Database Survey

All External Interfaces [Non Credit Related] and Credit Related

- 1: Consumer Non Banking
- 2: Corporate Non Banking
- 3: Consumer Credit Information
- 4: Corporate Bank Information

Instructions Banks/Lenders to complete 3 & 4

3. CIB Database External Interface Customer Data: Consumer Credit Information

Primary or Secondary	File Header	Field No.	Field Name of Customers & Account Detail	Bank Name
Primary	Account Holder	001	First Name	
Primary	Account Holder	002	Second Name	
Primary	Account Holder	003	Third Name	
Primary	Account Holder	004	Family Name	
Primary	Account Holder	005	Father's Name	
Primary	Account Holder	006	Grandfathers Name	
Primary	Account Holder	007	Great Grandfathers Name	
Primary	Account Holder	008	Mothers Name	
Primary	Account Holder	009	Driver's License No.	
Primary	Account Holder	010	ID No.	
Primary	Account Holder	011	Date of Birth	
Primary	Account Holder	012	Passport No.	
Primary	Account Holder	013	In/Out Country [Skip Warning]	
Primary	Account Holder	014	Address 1- Flat No.	
Primary	Account Holder	015	Address 2- House No.	
Primary	Account Holder	016	Address 3-Street	
Primary	Account Holder	017	Address 4-District	
Primary	Account Holder	018	Address 5-City	
Primary	Account Holder	019	Fixed Line Telephone No.	
Primary	Account Holder	020	1) Mobile Telephone No.	
Primary	Account Holder	021	2) Mobile Telephone No.	
Primary	Account Holder	022	3) Mobile Telephone No.	
Primary	Account Holder	023	Multiple Account Holder	
Primary	Account Holder	024	Nationality / Country of Origin of (Corporate)	
Primary	Account Holder	025	Account Holder Name	
Primary	Account Holder	026	Account Holder ID Type	
Primary	Account Holder	027	Account Holder ID Number	
Primary	Account Holder	028	Account Holder ATM Card No.	
Primary	Account Holder	029	Capital / Income	
Primary	Account Holder	030	No. of Account Holders	
Primary	Account Holder	031	Names of [other] Account Holders.	
Primary	Account Holder	032	Type of Account Owner-Single/Co-owner/Guarantor	
Primary	Account Holder	033	ID Information of other Account Holders	
Primary	Account Detail	034	Account Type	
Primary	Account Detail	035	Currency Code	
Primary	Account Detail	036	Account Number (Facility Number, shall be unique)	
Primary	Account Detail	037	Credit Limit	
Primary	Account Detail	038	Original Finance Amount Inc Charges [Interest etc.]	
Primary	Account Detail	039	Outstanding Balance	
Primary	Account Detail	040	Agreement Length	
Primary	Account Detail	041	Account Position-Open or Closed	
Primary	Account Detail	042	Secured [Yes/No].	
Primary	Account Detail	043	Number of Collaterals	
Primary	Account Detail	044	Collateral Type	
Primary	Account Detail	045	Collateral Value	
Primary	Account Detail	046	Collateral Valuation Date	
Primary	Account Detail	047	Account Open Date	
Primary	Account Detail	048	Planned Maturity Date	
Primary	Account Detail	049	Payment Method-Cash-Standing Order/Direct Debit-Salary Transfer	
Primary	Account Detail	050	Payment Amount	
Primary	Account Detail	051	Payment Frequency	
Primary	Account Detail	052	Balloon Payment Amount	
Primary	Account Detail	053	Balloon Payment Date	
Primary	Account Status	054	Current Status-Normal/Arrears/Legal In/Legal out/Write Off	
Primary	Account Status	055	Status Date	
Primary	Account Status	056	Overdue Amount-if Arrears/Legal In/Legal Out.	
Primary	Account Status	057	No. of Overdue Payments	
Primary	Account Status	058	First Missed Payment Date	
Primary	Account Status	059	Last Payment Date	
Primary	Account Status	060	Legal In Date	
Primary	Account Status	061	Legal Amount	
Primary	Account Status	062	Legal Out Date	
Primary	Account Status	063	Legal Settlement	
Primary	Account Status	064	Write Off Amount	
Primary	Account Status	065	Write Off Date	
Primary	Account Status	066	Reschedule Date	
Primary	Account Status	067	Rescheduled Amount	
Secondary	Account Status	068	Rescheduled to Account Number [or Record No.].	
Secondary	Account Status	069	Rescheduled to Account Type.	

4. CIB Database External Interface Customer Data: Corporate Credit Information

Primary or Secondary	File Header	Field No.	Field Name of Customers & Account Detail	Bank Name
Primary	Account Holder	001	Company Name	
Primary	Account Holder	002	Commercial Registration No.	
Primary	Account Holder	003	Company Address	
Primary	Account Holder	004	Address	
Primary	Account Holder	005	PO Box	
Primary	Account Holder	006	Telephone Contact Nos.	
Primary	Account Holder	007	Telephone No	
Primary	Account Holder	008	Fax No	
Primary	Account Holder	009	CR Issue Date	
Primary	Account Holder	010	CR Expiry Date	
Primary	Account Holder	011	Business Sector	
Primary	Account Holder	012	Date of Incorporation	
Primary	Account Holder	013	Business Activity	
Primary	Account Holder	014	Number of Shareholders	
Primary	Account Holder	015	Shareholder ID Type	
Primary	Account Holder	016	Shareholder ID Number	
Primary	Account Holder	017	Proprietor ID Type (Sole Proprietorship)	
Primary	Account Holder	018	Shareholder Name	
Primary	Account Holder	019	Shareholder Nationality	
Primary	Account Holder	020	Percentage of Shares Held	
Primary	Account Holder	021	Proprietor ID Number (Sole Proprietorship)	
Primary	Account Holder	022	Relationship of the Account Holder to the Account	
Primary	Account Holder	023	Multiple Account Holder	
Primary	Account Holder	024	Nationality / Country of Origin of (Corporate)	
Primary	Account Holder	025	Account Holder Name	
Primary	Account Holder	026	Account Holder ID Type	
Primary	Account Holder	027	Account Holder ID Number	
Primary	Account Holder	028	Capital / Income	
Primary	Account Holder	029	No. of Account Holders	
Primary	Account Holder	030	Names of [other] Account Holders.	
Primary	Account Holder	031	Type of Account Owner-Single/Co-owner/Guarantor	
Primary	Account Holder	032	ID Information of other Account Holders	
Primary	Account Detail	033	Account Type	
Primary	Account Detail	034	Currency Code	
Primary	Account Detail	035	Account Number (Facility Number, shall be unique)	
Primary	Account Detail	036	Credit Limit	
Primary	Account Detail	037	Original Finance Amount <small>(For Accounts Statement etc.)</small>	
Primary	Account Detail	038	Outstanding Balance	
Primary	Account Detail	039	Agreement Length	
Primary	Account Detail	040	Account Position-Open or Closed	
Primary	Account Detail	041	Secured [Yes/No].	
Primary	Account Detail	042	Number of Collaterals	
Primary	Account Detail	043	Collateral Type	
Primary	Account Detail	044	Collateral Value	
Primary	Account Detail	045	Collateral Valuation Date	
Primary	Account Detail	046	Account Open Date	
Primary	Account Detail	047	Planned Maturity Date	
Primary	Account Detail	048	Payment Method-Cash-Standing Order/Direct Debit-Salary Transfer	
Primary	Account Detail	049	Payment Amount	
Primary	Account Detail	050	Payment Frequency	
Primary	Account Detail	051	Balloon Payment Amount	
Primary	Account Detail	052	Balloon Payment Date	
Primary	Account Status	053	Current Status-Normal/Arrears/Legal In/Legal out/Write Off	
Primary	Account Status	054	Status Date	
Primary	Account Status	055	Overdue Amount-If Arrears/Legal In/Legal Out.	
Primary	Account Status	056	No. of Overdue Payments	
Primary	Account Status	057	First Missed Payment Date	
Primary	Account Status	058	Last Payment Date	
Primary	Account Status	059	Legal In Date	
Primary	Account Status	060	Legal Amount	
Primary	Account Status	061	Legal Out Date	
Primary	Account Status	062	Legal Settlement	
Primary	Account Status	063	Write Off Amount	
Primary	Account Status	064	Write Off Date	
Primary	Account Status	065	Reschedule Date	
Primary	Account Status	066	Rescheduled Amount	
Secondary	Account Status	067	Rescheduled to Account Number [or Record No.].	
Secondary	Account Status	068	Rescheduled to Account Type.	

Credit Information Bureau

Milestone Plan & Deliverables

Inclusions

Plan Individual Descriptions of Milestones Bureau Structure

Project Year Ends & Objectives

Year	End of:	Project Plan	Phase
1	July 2011		
2	July 2012	Sept 12	1
3	July 2013	Aug13	
4	July 2014	Jul 14	2
5	July 2015		

Notes:

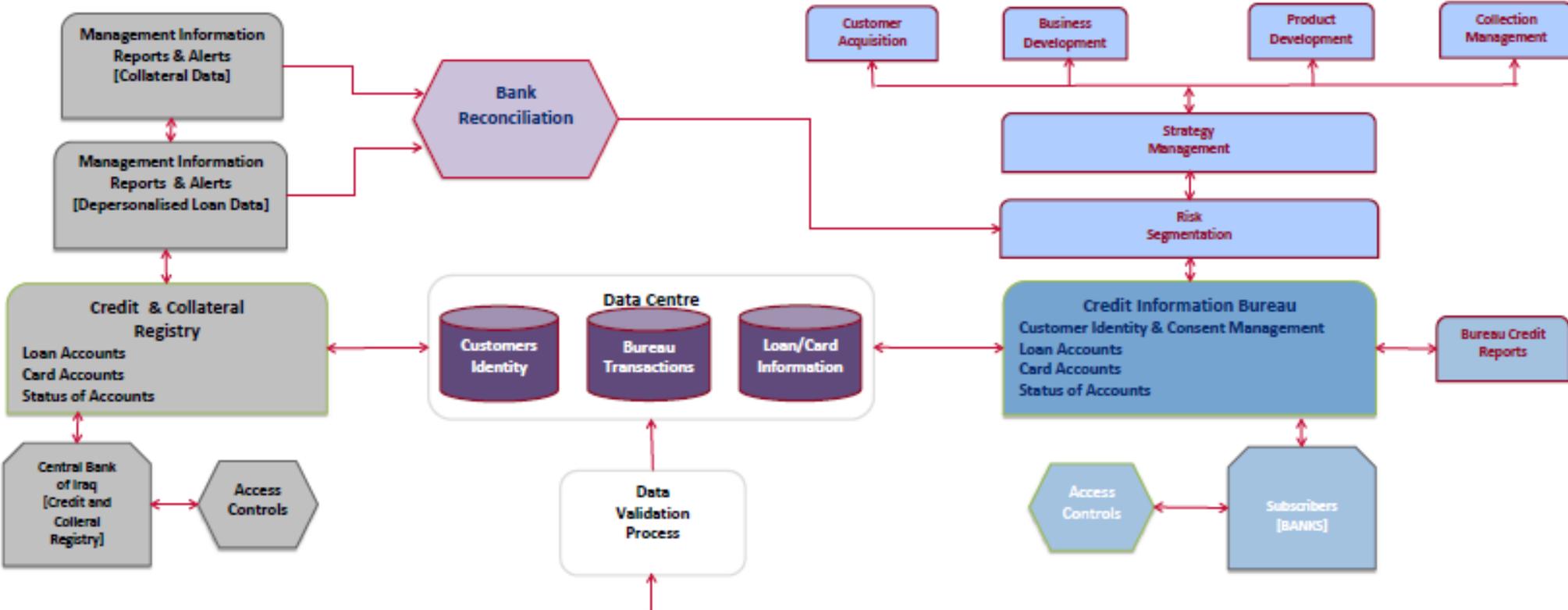
a)	A review of all deliverables to be made and sent to USAID for Confirmation to Complete Milestone 13 [RFP Distribution]
b)	All Deliverables up to Milestone 16 to be completed before Project Year End 3-[PYE 3]
c)	Each milestone [MS] provides the explanation of the requirement to complete the deliverable
d)	Phase 1: CIB with all Banks Data and interfaces with Ministry of Trade and Telecom Companies
e)	Phase 2: CIB with all other interfaces when available. [See CIB Structure on Page 24]

Milestone Summary: Plan

PRIVATE CREDIT INFORMATION BUREAU - PCB																	
REF. No	OBJECTIVE & MILESTONE [More detail and dates are shown on each Milestone M3] [USAID Deliverable]	Dependency	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13 PYE 3	JUL-13	AUG-13	SEP-13	STATUS*	STATUS DATE	
01	Prepare & Submit Business Plan Presentation to Banks/CBI														WIP	11/20/12	
02	Data Survey/Agree Data Structure & Prepare Data Structure Manual	01													TBP		
03	Complete Review of Legal Instructions and Prepare Guidelines/Code of Conduct/Agreement	01/02													WIP	11/20/12	
04	Business Requirement Specification Prepared Using Data Structure Manual	0													WIP	11/20/12	
05	Public Relations Campaign-Part 1-Conference & Press Packs. Part 2- Press Release. Part 3-Press Conference	01 to 04													WIP	11/20/12	
06	Agree Technical Specification and Select Potential Providers	01/02				1				2			3		WIP	11/20/12	
07	Data Centre Established-Upload Test Data	01-05													TBP		
08	Entrepreneurship: Think Tank, QA Programme and Training	03													TBP		
09	Administrative Systems & Designs to QA Standards Including Physical and Technical Security	04/05													WIP		
10	Communication & Network Plan - design including Users/Telephonic/e-mail/electronic circulars	01 to 05													WIP	11/20/12	
11	Letters of Interest from [1] Technical Provider-System. [2] Shareholders	02													TBP		
12	Letters of Interest from [1] Technical Provider -System [2] Shareholders	02/05													TBP		
13	Prepare RFP & Send Out to Technical Provider	02													TBP	11/20/12	
14	System Review- Review Proposals with Design and Business Requirement: Approval/Development	05/11													TBP		
15	Network and Communications- Bureau Network-Telephonic-e-mail and electronic circulars.	10													TBP		
16	Data Management-Upload of all test data from each bank onto TEST PROGRAMME.	08													TBP		
17	System Implementation. Factory Test/Delivery/Local Test/Network Test/UAT-1/Stress Test/UAT-2	13													0		
18	System Implementation: Operating Systems/Hardware Implementation-Production & Back Up-Test Environment	13-14-15													0		
19	Production Data Migration to Production Environment and UAT-3	14-16													TBP		
20	User Training- Bureau and Bank Users- Access Privileges Issued to all Users [Credit/Data Processors/Bureau]	15/16													0		
21	Production begins with all banks.	16-19													0		
22	Onward Product Development [Scorecard-Risk Alert-Strategy Management-Other]	12															

* Key to Status
TBP To be prepared
HOLD-US Waiting for decision from USAID
HOLD-BK Waiting for Bank(s)
WIP Work In Progress
PLAN MS not started but research is being carried out.
DONE Objective Completed

Credit Bureau Structure: Phase 1- Banks & Central Bank: Phase 2 All Others]



Banks & Non Banks Customer Name Address Loan Accounts Mortgage Accounts Credit Card Charge Card Overdrafts ATM Account No.	Ministry of Trade Company Details Shareholders Turnover Type of Business	Civil ID & Passport Office Name & Passport No. Address Date of Birth Family ID Name Verification	Land Registry Name of Owner/Title Address of Land/Building. Valuation Dates of Ownership	Stock Exchange Stock Values vs Collateral. Top 100 Companies. Index Alert.	Central Bank Money Launderers ID. Fraudsters. Rules of Lending. Regulation.	Telecom Cos Customer Name Address Account Values & Status Name Verification	Utility Companies Customer Name Address Account Values & Status Name Verification
Data Providers & Data Type							