



# Sustainably Financing SMEs in the 21<sup>st</sup> century

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Mar 29, 2019

PERC  
RESULTS AND SOLUTIONS



# About Us



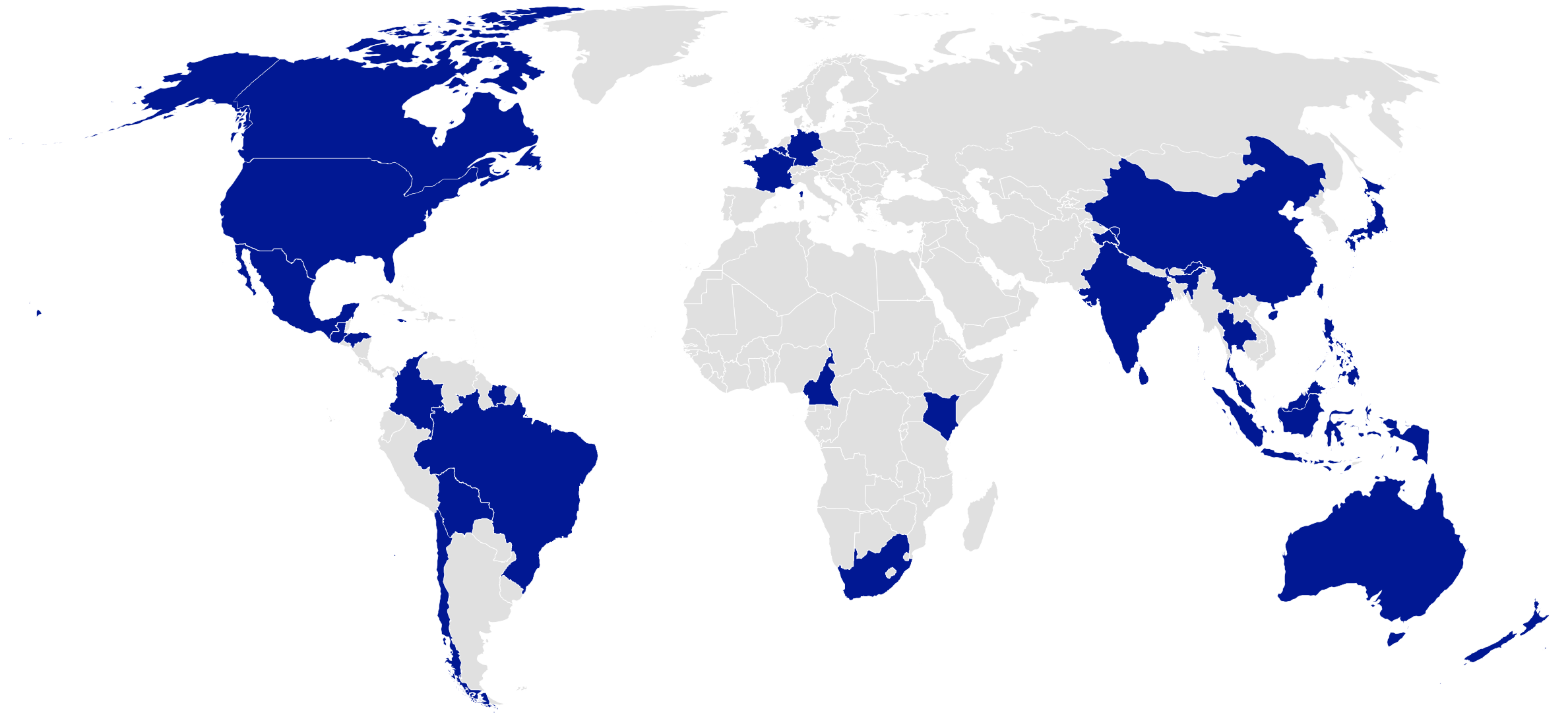
PERC is a non-profit, non-partisan policy research and development institution dedicating to increasing financial inclusion through information solutions

# PERC Supporters

| Foundations   | NGOs   | International   | U.S.G.  | Associations  | Industry  |
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# Where We Work

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# Consumer Information Focus



- From a financial inclusion perspective, consumer profile > business profile
- Business owner personal credit information is predictive
- Small & micro loans need robust consumer information sharing environment

# What is a Robust CIS Environment?

## ON THE IMPACT OF CREDIT PAYMENT REPORTING ON THE FINANCIAL SECTOR AND OVERALL ECONOMIC PERFORMANCE IN JAPAN

BY  
MICHAEL TURNER, PhD  
ROBIN VARGHESE, PhD  
PATRICK WALKER, MA

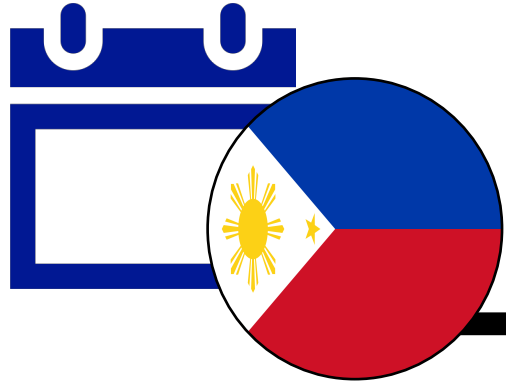
Information Policy Institute | March 2007



- **Comprehensive:** information is shared across sectors
- **Full-file:** both positive & negative information is shared
- **Proven payment data** is included
- “Every 10% rise in coverage of a nation’s population with full-file credit reporting is associated with a 6% increase in private sector lending as a share of GDP.”

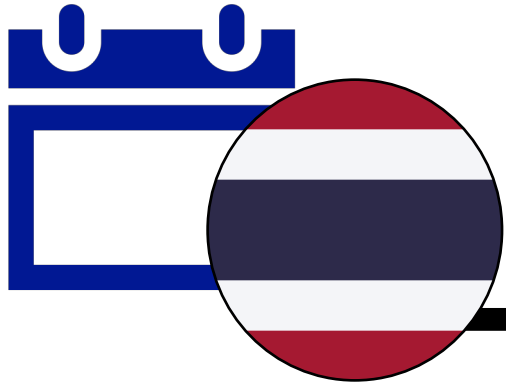
# FIDN Progress Report

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Nov 20, 2018 event in Manila well-attended  
Views about prospective reforms were presented

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Coming soon:  
2019 CIS workshop in Bangkok

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APCC available as resource to APEC member economies for CIS  
technical consulting/advising

# Update on Baseline Survey

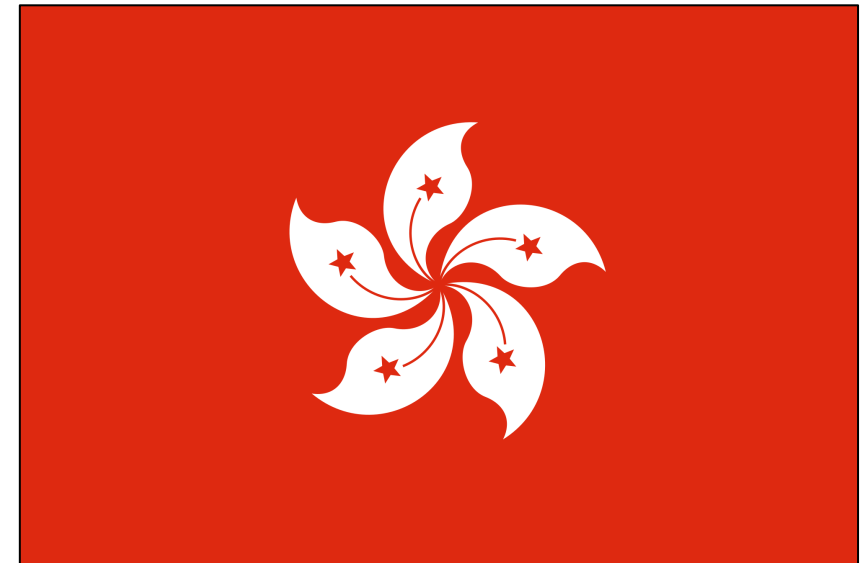
- Aimed at:
  1. Private credit bureaus
  2. Public credit registries
  3. Lenders
  4. Regulators

- Reached out to:



- Only 13 responses

**Hong Kong report coming  
Summer 2019**



Please fill it out!

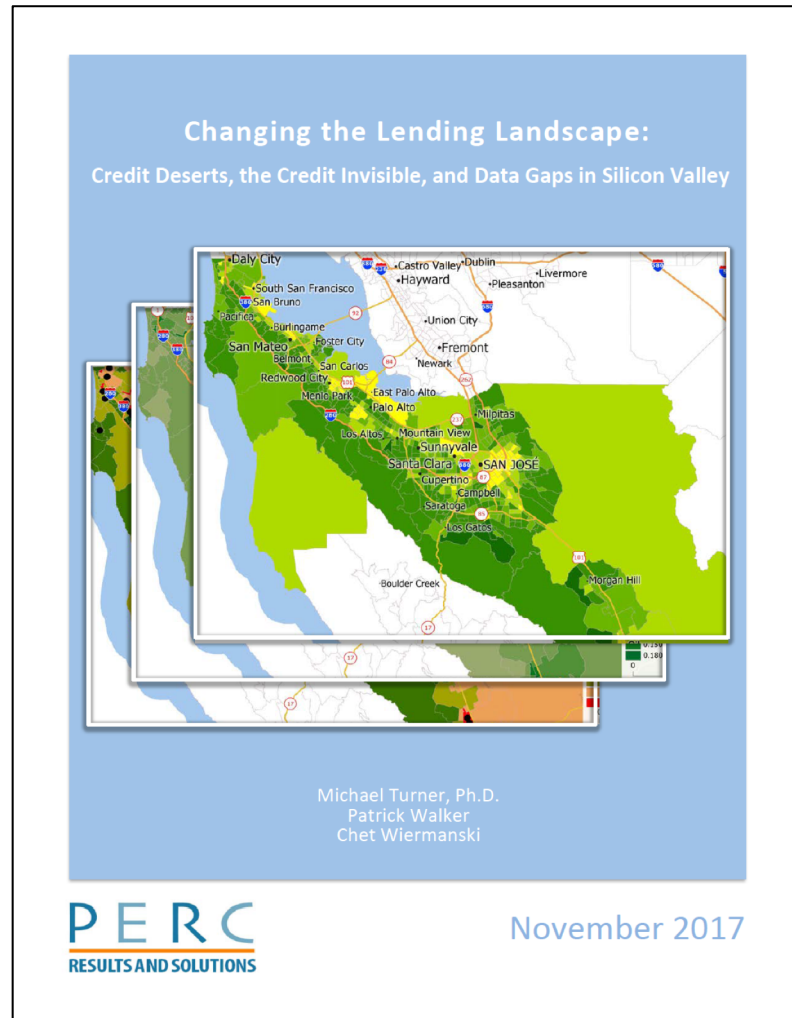
The background of the slide features a stylized city skyline at the bottom, rendered in a light blue and teal color palette. Overlaid on this is a complex network of thin, light-colored lines connecting various circular icons. These icons represent different concepts: a clock, a dollar sign, a person, a gear, a speech bubble, a bar chart, a cloud, a plant, and a document. The overall aesthetic is modern and tech-oriented.

# NEXT GENERATION PROJECTS:

- Proven payment data
- Public credit registry 2.0
- Financial Services Data Ecosystem Roadmap
- Emerging national privacy debates
- Consumer-permissioned data



# Proven Payment Data



“Simulated impacts showed that credit desert areas and lower-income areas would see the greatest reduction in alternative financial service provider use with increased proven payment data reporting. FICO estimates that by including this data, over 1/3 of the currently Credit Invisible that can be scored would be scored above 620 – that is, near prime or prime credit.”

# Public Credit Registry 2.0

- Push for PCR to use sophisticated tech and access more data
- Capacity-building
- We are keeping PCRs focused on their core functions:
  - Macro/micro-prudential regulation & oversight
  - Statistics for macroeconomic policy
- **Connecting the dots, not just collecting the dots**

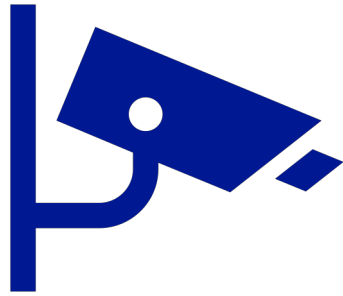


# Financial Services Data Ecosystem Roadmap

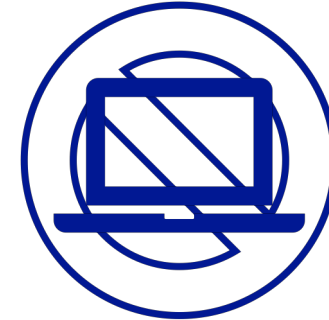


# Emerging National Privacy Debates

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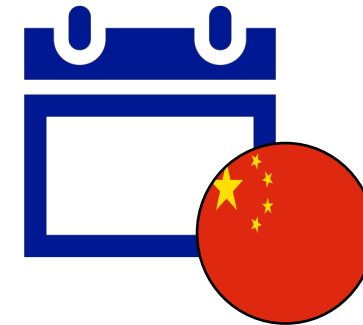
Global reconsideration of privacy laws



“Techlash”



PERC report with U.S. Chamber



Beijing event June 14-15, 2019

Preventing fragmentation is where APEC can play a vital role

# Consumer-Permissioned Data



- Fueling Fintech
- BCFP promoting this in U.S.
- Open Banking initiatives
- PSD2 in EU
- Consumers own data, banks need to open up to do this





# ROAD AHEAD

- Concerns about data privacy reform will dominate hoping to prevent any legislation that is emotional response to techlash ➡
- Meanwhile, continuing work in trenches
  - Helping PCRs stay focused
  - APFF baseline analysis for FIDN
  - Partnering with APFF on roadmap
  - Collaborating with member economies seeking CIS reform
- Data is the solution, not the problem