

A COMMERCIAL CREDIT REFERENCE AGENCY FOR HONG KONG

CCRA and You

The Commercial Credit Reference Agency (CCRA) was established on 1 November 2004 under the industry's initiative supported by the Hong Kong Monetary Authority. When the CCRA was launched in 2004, only those SME customers which were non-listed limited companies with an annual turnover up to HKD50 million were covered. In March 2008, the CCRA was expanded to include sole proprietorships and partnerships. In the light of market development and practical experience, and to further enhance the comprehensiveness of commercial credit data sharing, from 1 December 2017 the CCRA expands coverage through revising the definition of SME Limited Company under the CCRA scheme to cover non-listed limited companies with an annual turnover up to HKD100 million. This leaflet provides you with information about the CCRA and how it works for you.

The Aim and Benefits of a CCRA

1. What is a CCRA?

A CCRA is an organisation that collects information about the indebtedness and credit history of business enterprises and makes this information available to lending institutions. CCRAs are a common feature of credit markets around the world. Before deciding whether to extend credit facilities to a customer, lending institutions will check with a CCRA about the customer's credit record in order to help assess the credit application.

2. What are the benefits of a CCRA to companies and lenders?

It will be mutually beneficial for companies and lending institutions to participate in commercial credit data sharing. The CCRA increases lending institutions' knowledge of borrowers' credit records, expedites the loan approval process, and helps strengthen lending institutions' credit risk management. Exchanging information about borrowers by lending institutions also increases the incentive for borrowers to repay, thereby helping reduce the overall default rate.

As more information about the creditworthiness of companies becomes available through the CCRA, creditworthy companies will stand a better chance of obtaining loans from lending institutions more quickly and with better credit terms.

Operation of the CCRA

3. Will our business be covered by the CCRA?

The CCRA only covers corporate customers of lending institutions. Generally, your business will be covered if you are a non-listed limited company with an annual turnover up to HKD100 million, a sole proprietorship or partnership.

4. Will lending institutions be seeking our consent before they report our data to the CCRA?

Yes, lending institutions must have your consent before they can disclose your business's credit data to the CCRA. Lending institutions normally include the requisite consent provision in their account terms and conditions of banking services, facility letters or relevant documentation.

5. What information about a business is held at the CCRA? Who has access to such information and for what purposes?

The CCRA keeps the general information of a business, like Business Registration Certificate number. It also keeps certain credit data of the business such as the aggregate maximum available credit limit granted by individual lending institutions for different types of credit facilities, whether the company (in the case of limited companies only) has provided collateral, as well as information about defaults on loans. Information such as the assets of the company or personal wealth of the company's investors, however, is not collected.

Only lending institutions (and their subsidiaries) regulated by the Hong Kong Monetary Authority (HKMA), and which have subscribed to the CCRA, will have access to your data held in the CCRA for the purpose of the grant, review or renewal of credit to your company or to another person for whom your company proposes to act as guarantor. Access for marketing purposes is prohibited.

6. In the case of credit facilities granted to customers which become in-scope as a result of the expanded coverage of the commercial credit database, will late repayments made before 1 December 2017 be reported to the CCRA?

In respect of late repayments made before 1 December 2017 by these customers, only payments overdue for more than 60 days and not settled or not written off before 1 December 2017 will be reported to CCRA upon consent by the relevant company. Companies are encouraged to keep payments current and build a good credit history to improve their access to credit in the future.

7. How long will the CCRA hold the credit data of our business?

In general, credit data relating to each facility will be retained by the CCRA for five years from the date of full repayment of that particular facility for Limited Companies. For Unlimited Companies, the retention of data follows the rules specified under the Code of Practice on Consumer Credit Data issued by the Office of the Privacy Commissioner for Personal Data. The CCRA will delete the data as and when the information becomes irrelevant.

Data Protection

8. What are the safeguards to protect the confidentiality of the data maintained by the CCRA about my business?

Both lending institutions and the CCRA must, in respect of sole proprietorships or partnerships, observe the Code of Practice on Consumer Credit Data issued by the Office of the Privacy Commissioner for Personal Data. In addition, lending institutions should comply with the data protection requirements in the HKMA's statutory guidelines in relation to the sharing of credit data through the CCRA. Lending institutions also require the CCRA whose service it has engaged to take appropriate steps to safeguard the security and accuracy of the data it holds, and to respond to an access or correction request by a company promptly.

9. Can I access the data held by the CCRA about our business and request corrections if there are errors in the record?

Yes, you can access the data held by the CCRA about your business by ordering a credit report from the CCRA. The CCRA will verify the authenticity of the request and you will need to pay a reasonable fee.

If you think any of your data held by the CCRA is inaccurate or incomplete, you can contact the CCRA in writing at:

Name: Dun & Bradstreet (HK) Ltd.
Address: Unit 1308-1315, 13/F, BEA Tower, Millennium City 5,
418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Enquiry hotline: 2516 1100
Fax: 2960 4721
Enquiry e-mail: ccra_enquiry@dnb.com
Website: www.dnb.com.hk/ccra

The CCRA will investigate your request promptly and make any appropriate corrections within a reasonable period at no costs.

10. To whom should complaints be lodged?

If you have an unresolved dispute in relation to the sharing and use of commercial credit data involving a lending institution and the CCRA, you may contact the HKMA in writing at:

Address: 55/F, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Fax: 2509 3990
E-mail: hkma@hkma.gov.hk

The HKMA will seek to ensure that your complaint in relation to the sharing and use of commercial credit data is properly handled in accordance with its guidelines.