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**Meet our new Director:** David Knowles is Marketing Director at Creditsafe Group, Europe's most used provider of business information. In the last seven years he has overseen the re-launch and development of the Creditsafe brand under its "Simply Smarter" strap-line building a point of difference against its competition while also managing launch marketing strategies as Creditsafe expanded into France, Benelux, Germany, the USA and Italy.

A graduate of the University of Wales, David lives and works in Cardiff. David can be reached at: [david.knowles@creditsafe.com](mailto:david.knowles@creditsafe.com)

## LATE BREAKING NEWS

### FICO Survey: Asia Tops in B2C Mobile App Usage, US and Europe Lag



***China has highest percentage of "mobile natives" who interact with businesses daily via mobile devices, France has lowest***

FICO (NYSE:FICO) released the results of an international survey of businesses and consumers showing that China and Korea are the countries with the highest percentage of people who interact with businesses daily via mobile devices.

The survey looked at consumer preferences and tendencies with regard to mobile, online and in-person interactions with banks, government agencies, healthcare providers, insurers, and retailers. **China (51 percent) and Korea (50 percent) were joined by India (49 percent)** as the countries with the highest percentage of "mobile native" consumers — those who interact with businesses via mobile devices every day. France (12 percent), Japan (15 percent) and the United States (16 percent) were the countries with the lowest percentage of mobile-native responders. The survey found that businesses are quick to respond in sectors with consumer-generated pressure to interact via mobile channels. This is most apparent in the retail sector, where businesses are engaging with consumers to cultivate brand loyalty and make special offers.

The survey segmented respondents into five categories. "Mobile Natives" tend to be technologically savvy. They are typically young (under 34 years of age), affluent males who consider themselves early adopters of technology. "App Shoppers and Bankers" are frequent app users, but they typically use their devices for the limited purposes of banking or retail shopping. [To read more click on the link](#)

### Cyber Attacks on Companies Doubled in One Year

The number of companies suffering external cyber attacks designed to steal commercial secrets doubled in 2012-13 compared with the previous financial year, according to statistics that underscore the growing cyber threat to companies.

The figures were published amid warnings from cyber experts that companies were not doing enough to defend themselves against hackers despite the numbers of attacks. Of the companies that reported information theft over the period, 35 per cent said they were victims of external hackers, compared with 18 per cent during the previous year, according to annual fraud statistics compiled by Kroll.

One possible reason for the reported increase in hacking is that companies "are now far more aware of the situation and can identify what's going on" said EJ Hilbert, Kroll's UK head of cyber investigations and a former FBI investigator. "But also there's a lack of understanding of how [the attacks are] done." Kroll found that 75 per cent of respondents were vulnerable to hacking, with 68 per cent reporting that they invest in IT security, "which raises the question of how exposed the other third might be", Kroll said.

Kroll's survey polled more than 900 senior executives around the world, 49 per cent of whom were employees of companies with revenues exceeding \$500m. While the threat from external hackers is rising, information theft "is typically an inside job", according to Kroll's report. Where the perpetrator was known, 39 per cent of cases claimed an employee was responsible, up from 37 per cent last year. **Source: [Financial Times](#)**

## Late Breaking News

### Experian Falls Prey to Identity Theft Scam

**This story made headlines in the US following the arrest and indictment a Vietnamese individual who operated an identity theft service called Superget.com out of Vietnam.** The **US Department of Justice** announced the indictment on Friday, Oct. 18<sup>th</sup> 2013. Superget.com sold Social Security and driver license numbers as well as bank account and credit card data on millions of Americans. The data was purchased from Court Ventures and USInfoSearch.com. The Vietnamese fraudster masqueraded as a private investigator and thus was able to enter into a customer relationship with Court Ventures.

The embarrassing situation for Experian is the fact that it acquired **Court Ventures in March of 2012**. Founded in 2001, Court Ventures sources, aggregates, repackages and distributes public record data, obtained from over 1,400 state and county sources. It must be assumed that Experian's due diligence process did not dig deep enough to discover the fraudulent customer relationship. According to **KrebsOnSecurity.com** the warning signs should have been visible since the company was based in the US, but paid for its services from Singapore.

KrebsOnSecurity stated in its blog that Experian declined multiple requests for an interview. But in a written statement provided to KrebsOnSecurity, Experian said it had worked with the Secret Service to bring a Vietnamese national to justice in connection with the online ID theft service. Their statement is as follows:

"Experian acquired Court Ventures in March, 2012 because of its national public records database. After the acquisition, the US Secret Service notified Experian that Court Ventures had been and was continuing to resell data from US Info Search to a third party possibly engaged in illegal activity. Following notice by the US Secret Service, Experian discontinued reselling US Info Search data and worked closely and in full cooperation with law enforcement to bring Vietnamese national Hieu Minh Ngo, the alleged perpetrator, to justice. Experian's credit files were not accessed. Because of the ongoing federal investigation, we are not free to say anything further at this time."

**Shades of ChoicePoint?** When reading this unfortunate story one is reminded of ChoicePoint, a data aggregator that acted as a private intelligence service to government and industry. Beginning in 2004, ChoicePoint suffered several breaches in which personal data on American citizens was accessed by criminals posing as legitimate businesses. ChoicePoint was later sued by the U.S. Federal Trade Commission, an action that produced a \$10 million settlement — the largest in the agency's history for a violation of federal privacy law. ChoicePoint lost its independence by being taken over by LexisNexis.

It can be assumed that the new Consumer Financial Protection Bureau will come down hard on Experian and the Court Venture acquisition will turn out to be an expensive one.

**Credit Bureaus should learn their lessons from such sad cases and should dig deep in terms of 'Know Your Customer'.** Sources: [Department of Justice](#) and [KrebsOnSecurity.com](#)

**Latest Update of the EU Data Protection Overhaul: [To read Mike Bradford's Newsflash please click on this link](#)**

## MEMBER NEWS

### D&B Unveils D&B360 3.0 for CRM with All-New User Interface & Expanded Functionality

**D&B (NYSE:DNB) has released D&B360" 3.0**, an upgraded version of its sales and marketing intelligence solution for CRM systems. D&B360 gives sales and marketing professionals the insights needed to sell more effectively by providing direct access to D&Bs global business data and analytics within CRM systems, along with relevant news, social media and sales tools, to drive revenue growth.

D&B360 3.0 features a completely redesigned interface, taking sales intelligence to the next level, increasing sales, productivity and CRM ROI. Customers have consistently told us usability drives CRM adoption and ROI. Working closely with our customers, we have improved the user experience of D&B360. Common tasks now require fewer clicks and critical information is easier to access, said Laura Kelly, Chief Product Officer, D&B. As a result, the precision enabled by D&B360 3.0 helps businesses cut research time to convert prospects into long-term profitable customers.

D&B360 creates trustworthy master records in CRM systems using the D-U-N-S Number® and D&Bs proprietary matching technology. Further, it connects each customer to financial data, marketing prescreen scores, professional contacts, social media, news, and more to develop an informed view of customers. The result is the ability to find and act upon opportunities quickly.

D&B360 arms sales teams with the data and tools they need to easily pinpoint the best new prospects, and the information they need to connect with key decision makers. The results have exceeded my clients' expectations. D&B360, an award-winning sales and marketing intelligence tool, drives business improvement by enabling:

- Sales to fully leverage their CRMs, winning more business with the sales intelligence required to successfully compete for and retain business
- Marketing to increase campaign effectiveness with faster and more robust targeting using segmentation data- and list- building tools
- Sales Operations to correctly align sales resources with the best opportunities.

*Source: [Seekingalpha.com/news](http://Seekingalpha.com/news)*

### Veda Appoints Independent Directors Leading Up to IPO

Veda today announced the appointment of Ms Diana Eilert, Mr Bruce Beeren and Dr Peter Shergold AC to their Board of Directors, along with the resignation of Mr Tony Duthie. The new directors will join recent appointee as Chairman, Dr Helen Nugent AO, and previous directors, Mr Geoff Hutchinson and Mr Anthony Kerwick, along with the CEO and Managing Director, Ms Nerida Caesar.

Dr Nugent, Mr Beeren, Ms Eilert and Dr Shergold are independent non-executive directors, resulting in Veda now having a board with a majority of independent directors. Dr Nugent said she was "delighted with the appointments of such high quality directors who bring skills that are relevant and important to Veda as it positions itself to take advantage of structural changes in the data analytics and credit reporting sector.

*Source: [Veda Press Release](#)*

## MEMBER NEWS

### CRIF NM's Credit Information Bureau Begins Operations in Jamaica

*CRIF NM Credit Assure Limited, a joint venture between CRIF and Neal & Massy, announced the launch of the technical and business operations for its world class credit bureau in Jamaica, supporting the development of the retail credit industry in the country.*

CRIF NM received a fully operational status from the Bank of Jamaica on May 1, 2013 after satisfactorily meeting the conditions stipulated in the license issued by the Minister of Finance under the Credit Reporting Act 2010 (CRA) on April 10, 2012. Over the last few months, CRIF NM has been working toward setting up credit information provider (CIP) agreements with local banks and financial institutions who will act as contributors to the credit bureau. Currently 12 major institutions inclusive of the largest bank in the country, have already signed agreements, 6 of which CRIF NM will be their primary credit bureau information provider. Data analysis is on-going, and onsite credit report training was conducted the week of September 16 by credit bureau specialists from Italy, who trained over 200 trainees from 15 institutions.

The credit bureau platform system developed by CRIF NM is ready to start gathering positive and negative credit information on individuals and businesses from eligible Jamaican lending institutions and banks, who can in turn query the system to see the credit histories of their clients. The centralization and sharing of credit information will reduce the existing asymmetry between borrowers and lenders, and facilitate access to credit for more businesses and consumers by improving the lending process, and promoting responsible decision-making. Given that a substantial portion of the Jamaican economy is based on small and medium sized enterprises, the local credit bureau will help banks move from a more traditional approach, where credit is mainly granted through collateral, to a more advanced and automated model based on credit references. As a result, lenders will be able to deliver financial services at significantly reduced costs to consumers, SMEs and businesses in general, and expand credit to wider segments of the economy.

"We are pleased that the platform has been released on time and according to plan", said Terrence Cooper, CRIF NM's CEO (Designate). "We are ready from an infrastructure point of view, and we are currently working together with lenders to create and activate the database containing the initial upload of production data, with the aim of delivering credit reports within the next 30 days", concluded Cooper.

A full-fledged credit bureau, including both positive and negative credit information on individuals and businesses, will be beneficial to both credit applicants and lenders. As International analysis shows, the availability of a full credit history should give Jamaican citizens and businesses easier access to credit, and provide advanced risk management tools to banks and financial institutions. *Source: [CRIF Press Release](#)*

### Boniversum Study Concerning Security in Online-Banking

Creditreform's consumer credit information company Boniversum released the results of a study concerning consumer sentiments about security in Online-Banking. According to the study German consumers have a high confidence rate in terms of security and are less concerned about the potential misuse of data as the result of information sharing in banking. Approximately 59% of German consumers expressed a high confidence rate concerning information sharing practices in banking. Nevertheless confidence levels dropped to 35% when dealing with online-shopping and 11% when dealing with social media. *Source: [Creditreform Boniversum](#)*

## MEMBER NEWS

### TransUnion to Save TLO from Bankruptcy in a Bid to Acquire TLO for \$105 Million

**TLO, LLC** ("TLO" or the "Company") announced that it has reached an agreement in principle with TransUnion pursuant to which **TransUnion** will serve as the "stalking horse bidder" in conjunction with a court-supervised sales process to maximize value for the Company.

The TLO filed a motion seeking authorization from the United States Bankruptcy Court for the Southern District of Florida in West Palm Beach (the "Court") to conduct an auction for the Company pursuant to Section 363 of U.S. Bankruptcy Code. The motion also sets out the proposed bidding procedures for the auction. Under the proposed procedures, TransUnion will serve as the "stalking horse bidder" with a definitive asset purchase agreement to acquire TLO for \$90 million in cash and \$15 million in TransUnion stock, which will be filed with the Court no later than November 1, 2013. In addition, under the terms of the asset purchase agreement, TLO will retain its rights to the \$40 million Hank Asher life insurance policy and related claim. The asset purchase agreement will set the floor, or minimum acceptable bid, for the auction, which is designed to achieve the highest and best offer for TLO.

The Company noted that it has previously received proposals from 11 different financial and strategic bidders, many of whom are expected to be active participants in the auction. Throughout this court-supervised sales process, TLO expects to continue to offer revolutionary technology to serve its private and public sector customers to meet their ongoing research and investigative needs in the ordinary course.

**About:** TLO is a data solutions provider specializing in custom, scalable investigative and risk management tools for due diligence, threat assessment, identity authentication, fraud prevention, and debt recovery. Used daily by thousands of organizations in the public and private sector, TLO's core product, TLOxp, is the most powerful technology for locating, researching, and finding the connections between individuals, businesses, and assets. TLO further supports law enforcement agencies in more than 40 countries around the globe by providing, at no charge, cutting-edge technology used to identify and locate child predators. **Source:** [TLO Press Release](#)

### TransUnion Launches CreditVision<sup>(R)</sup> - Enhanced Credit Information

**TransUnion announced the launch of CreditVision<sup>®</sup> enhanced credit information**, a new look in consumer credit data reporting that allows for deeper insights into credit behavior for both businesses and consumers. In conjunction with this launch, TransUnion is offering a suite of CreditVision products, featuring an expanded credit report with new and enriched data fields, historical account information, premium algorithms, and new, more sophisticated risk scores and marketing models.

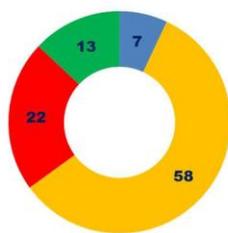
CreditVision provides businesses with a much deeper historical view (30-months) of consumers for making effective credit decisions, while giving consumers a fuller history on their credit management. This historical view of customer account data has not been available on consumer credit data before now, and is a progressive advancement from traditional credit reports that provide just a current month point-in-time view of customer accounts. CreditVision products build on the existing TransUnion Credit Report, which draws information from the TransUnion database containing files on more than 250 million consumers -- virtually every credit-active adult in the United States. The information in the database is provided by more than 85,000 credit-granting institutions and data furnishers. [To read full press release click on this link.](#) **Source:** [TransUnion Press Release](#)

## MEMBER NEWS

### BISNODE First Half 2013 Financial Results

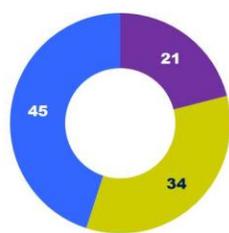
- Revenue of SEK 1.855 million
- Organic revenue growth of -1.1 per cent (adjusted for foreign exchange effects), above all in Region Nordic and BeNeFra
- Operating margin (EBITA) of 6.5 per cent (15.8)
- Operating margin (EBITA excl. capital gains) of 7.0 per cent (7.5), in particular lower margin in Sweden and Germany where a large-scale internal restructuring to “One Bisnode” is underway

Revenue by Region  
January - June 2013 in %



■ Central Europe ■ Nordic  
■ DACH ■ BeNeFra

Revenue by Market Segment  
January - June 2013 in %



■ Credit Solutions  
■ Business Information Solutions  
■ Marketing Solutions

Bisnode

#### Bisnode is moving up the value chain and will deliver more of our offering “as a service”.

Management reports: “Bisnode will contribute more analysis and we will help our customers to transform information into insight. Our goal is to help our customers make smart decisions.”

In order to succeed at this undertaking, Bisnode is pursuing a large-scale process of change. Through these efforts management is convinced that we will create a more attractive company for shareholders, customers and employees. Technological advances are creating exciting opportunities for innovative companies, but are also subjecting traditional companies to major challenges.

Bisnode comes from a complex group structure with limited scope to realize synergies, since business was previously conducted in a large number of small companies. Bisnode is taking steps to dramatically reduce the number of operating companies and invest in the products of the future in a structured manner. This will give rise to new potential to achieve economies of scale.

Bisnode has left Q2 2013 behind with the knowledge it has been able to convert operations in all 19 countries to conduct operations under the “Bisnode” brand in less than six months. [To read the full report click on this link](#)

### Schufa (Germany) Warns about Unscrupulous Lenders

“Credit without Schufa” are well known advertising slogans in Germany. Credit is offered to people who are in financial difficulties and are promised a fast and non-bureaucratic access to credit without the use of a credit report. Concerned about unsavory practices and potential damages to borrowers, Schufa, Germany’s leading credit bureau, commissioned an independent study to examine the practices of credit granting without the use of a credit report or Schufa credit assessment.

Based on the study of 177 requests for credit which were placed with 69 loan companies only 2 requests resulted in the granting of a loan. A success rate of 1%. Interest rates charged for the loans granted were 25.5%.

[Source: Schufa Germany](#)

## INDUSTRY NEWS

### Dun & Bradstreet Credibility Corporation Introduces Mobil APP 'CreditReporter'



*The Dun & Bradstreet Credibility Corporation* has introduced a mobile APP, "CreditReporter," to provide business owners quick and easy access to credit information they need most. The APP uses the latest technology and is lightning fast. Among other features, users can see their companies' profiles and credit scores in real-time, can find out when others are pulling their report, and can receive instant alerts when scores change. They can also add business credit references and see the status of those references. In addition if one needs help, users can tap to call Dun & Bradstreet Credibility Corp. to speak to a credit advisor within minutes.

Jeff Stibel, CEO of the [Dun & Bradstreet Credibility Corporation](#) bought the company from D&B in 2010 for US\$100 million. The company concentrates on aspects of financial and information literacy for small businesses. Stibel uses Abraham Lincoln, the world's most renowned credit reporter as a metaphor for introducing his mobile APP called the 'CreditReporter'.

Source: [Dun & Bradstreet Credibility Corporation](#)

### Thomson Reuters Adds Countries of Risks to its Leading Entity Risk Solution

#### Algorithm measures exposure of a firm to multiple countries

Thomson Reuters announced the launch of an enhanced entity risk offering to help financial institutions, including custodian banks, regional banks and fund administrators, better identify and manage their portfolio risk and regulatory reporting requirements. As part of the enhanced offering, customers are now able to measure their aggregate exposure to an entity's countries of risks. The solution is powered by StarMine's algorithm and uses Thomson Reuters entity and fundamentals data as well as GDP data from the IMF. It makes adjustments where appropriate to provide full transparency into the factors used to create the weightings that drive the algorithm.

The launch of Thomson Reuters Countries of Risks offering supports Thomson Reuters vision to connect and enable the global financial community and builds on the growing portfolio of solutions that it provides to assist firms in addressing issues of risk and regulation. The offering significantly enhances Thomson Reuters Entity Risk suite and further positions the Company as a leading provider of Entity Risk data.

Entity data is the map that connects the total exposure of securities and holdings to issuers and the concentration of assets by industry sector or countries of risk. Thomson Reuters Entity Risk helps clients measure their aggregate exposure by providing visibility of the organizational structures of core entities, their subsidiaries, joint ventures and affiliates in the hierarchy view. It covers a growing universe of more than 1 million entity records from auditable sources including exchanges, company registrars, 10K filings, regulators, annual reports and prospectuses – all presented in a concise, manageable and user-friendly mapped format. The data is collected and maintained by a global team of hundreds of market analysts covering 250 markets with a clear focus on the highest quality and efficiency. For more information, click here. Source: [Thomson Reuters](#)

## INDUSTRY NEWS

### Schibsted Media Group Moves into Analytics

**Schibsted's new Advanced Data Analytics group** will grow within a year to between 20 and 30 people, up from just five now. Headed by Edoardo Jacucci, an alumnus of McKinsey, the group will be based in Oslo, Stockholm, and Barcelona, the latter location providing services to Schibsted's growing non-Nordic businesses. The company is now sifting through 300 applicants for those new jobs. Jacucci sees his job as quickly turning actionable analytics into new site/mobile features, meeting the fast-changing needs of global audiences. The new group will employ both data scientists and conversion specialists to make the most of machine learning. For Schibsted, the big investment is characteristic: Once it believes it has found a strategy or tactic that is successful — in this case, data mining — it triples down on investment.

Schibsted recently announced [1] the latest step in its global strategy. It is partnering with Telenor, a major European telecom company, and **Singapore Press Holdings to further its footprint in Asia** and Latin America. Two new companies are aimed at exploiting new classified opportunities in these two areas.

**About:** Schibsted is an international media group with approximately 7,800 employees. Schibsted has operations in 29 countries. Schibsted's strategy comprises two main objectives: further development of our media houses and establishment of online classifieds services.

**Source:** *Outsell Inc.*

### Wolters Kluwer Financial Services Launches Examiner Mobile Technology

**Wolters Kluwer Financial Services launched mobile capabilities for its Examiner solution, which automates Code of Ethics compliance for personal trading surveillance, as required by the 1940 Act Rules.** With the new mobile technology, compliance professionals can use Examiner to monitor and approve employee pre-clearance trade requests—anywhere, anytime—from any mobile device.

The new mobile technology for Examiner is built on HTML5, now widely accepted as the standard for developing cross-platform mobile and web capabilities. Examiner's mobile functionality provides faster access to rich and detailed views of data, agnostic of the specific device running the browser, giving institutions better, faster insights for analysis.

Wolters Kluwer Financial Services provides more than 15,000 customers worldwide with risk management, compliance, finance and audit solutions that help them successfully navigate regulatory complexity, optimize risk and financial performance, and manage data to support critical decisions. With more than 30 offices in 20 countries, our prominent brands include: Summix®, FRSGlobal, FinArch, ARC Logics®, TeamMate®, Bankers Systems, VMP® Mortgage Solutions, AppOne®, GainsKeeper®, Capital Changes, NILS®, AuthenticWeb™ and Uniform Forms™. Wolters Kluwer Financial Services is part of Wolters Kluwer, a leading global information services and solutions provider with annual revenues of (2012) €3.6 billion (\$4.6 billion) and approximately 19,000 employees worldwide.

**Source:** *finance.yahoo.com*

## INDUSTRY NEWS

### LexisNexis Risk Solutions Acquires Mapflow

*With the acquisition of the geographic risk technology company, LexisNexis picks up software to complement its data, analytics and linking capabilities.*

LexisNexis® Risk Solutions announced the acquisition of Dublin-based Mapflow to help commercial and home insurers better understand geographic peril risk at the property level to make more informed underwriting decisions and better manage their portfolio exposure. Mapflow is an industry-leading geographic risk assessment technology company with solutions that complement the comprehensive data, advanced analytics, supercomputing platform and linking capabilities offered by LexisNexis.

The acquisition of Mapflow enables LexisNexis to offer a more comprehensive risk assessment and underwriting solution that enable insurers to:

- Identify geographic risk at the property level (peril and accumulations);
- Simplify their underwriting process by bringing multiple property-based risk factors into a single view; and
- Reduce exposure to high-risk properties and claims costs.

“Insurers are increasingly seeking competitive advantage from data, whether it’s old data or from new sources,” said Craig Beattie, Senior Analyst, Insurance, Celent. “Location information and mapping capability play an important role on converting that data into actionable insight.”

“Today’s insurers require a deeper understanding of the physical location of risk and the exposure of this risk, related to weather and other perils, and acquiring Mapflow supports our strategy to offer our customers the most comprehensive risk assessment solutions available,” said Bill Madison, Chief Executive Officer, Insurance, LexisNexis. “Together, our solutions enable insurance companies to make timely, informed decisions, streamline critical business processes while reducing exposure to loss, and improve client experience and retention.”

**About Mapflow:** Mapflow is the leading provider of location and risk intelligence solutions to the global insurance industry. Mapflow’s risk assessment and exposure management software platform enables insurance companies to aggregate their risk data from multiple sources, allowing them to make more informed underwriting decisions, better manage their risk and exposure, and reduce reinsurance costs. **Source:** [Mapflow.com](http://Mapflow.com)

### Reed Construction Data Reveals an Industry First in Construction Market Intelligence

Reed Construction Data, a provider of construction information, announces the release of Demand View, an interactive new data set for cūbus that provides unparalleled visibility into the construction market.

Demand View uses intelligent building models, developed by the experts at RSMeans, to quantify product demand across Reed’s entire database of new construction projects, including projects in planning and bidding stages without specifications. Because the intelligence is based on actual projects – not forecasts or projections – cūbus + Demand View delivers results that allow manufacturers to analyze, plan, market and deploy resources with added precision.

**Source:** [Reed Construction Data](#)

## NEWS FROM CHINA

### China Finance Online Q2 Results: More Losses

China Finance Online Co., Ltd. (Nasdaq: JRJC) revealed net operating revenue of USD 7.6 million for the second quarter ended June 30, 2013, in contrast to USD 8.1 million a year ago and USD 5.5 million a quarter earlier.

Net loss reached USD 4.5 million. The figure was USD 2.6 million a year earlier and USD 4.3 million a quarter ago. Net operating revenue reached USD 13.1 million in January-June period, compared to USD 17.2 million in the corresponding period of 2012. Net loss was USD 8.9 million. *Source: [financial.tmcnet.com](http://financial.tmcnet.com)*

### Yahoo to Keep Larger Stake in Alibaba Post IPO

*Yahoo stated it will keep a larger stake in Alibaba Group Holding Ltd than originally planned after it goes public, hoping to profit from the Chinese e-commerce company's future growth.*

Billionaire Jack Ma, Alibaba is expected to file for an estimated \$15 billion IPO in 2014, valuing the operator of retail, auction and content websites at more than \$100 billion. The IPO is one of the most eagerly anticipated Internet debuts since Facebook Inc in 2012. Alibaba has decided not to list its shares in Hong Kong, but has not yet committed to listing on any other exchange, including the New York Stock Exchange, CEO Jonathan Lu told Reuters last week.

Under the terms of an amended agreement that Yahoo announced alongside its quarterly results, the U.S. Internet company will sell up to 208 million of the 523.6 million Alibaba shares it owns, either directly to the Chinese company or through the IPO. That is down from a previously agreed maximum of 261.5 million.

After the IPO, Yahoo would have the right to sell its remaining Alibaba shares at its discretion, Yahoo said. A spokesman for Alibaba said that the terms of the previous agreement, which permitted Yahoo to sell only after a one-year lock-up period following the IPO, would remain in force. *Source: [news.yahoo.com](http://news.yahoo.com)*

### Alibaba's Revenues and Profits Up in Q2 2013

*The Alibaba Group, recorded a revenue growth of 60% year-on-year, to US\$1.73 billion in the second quarter of 2013. Net income in the quarter was US\$707 million, more than double last year's US\$273 million.*

Separately, Alibaba has agreed to invest US\$200 million in *ShopRunner*, a U.S.-based online retailer. *ShopRunner*, established in 2010, offers free two-day shipping on goods for an annual membership fee of US\$79. The online retailer is currently led by Yahoo's former CEO Scott Thompson, and competes with Amazon's Prime membership program. *Source: Business Strategies Group Hong Kong - [www.bsgasia.com](http://www.bsgasia.com)*

### China Microfinance Market

China had 7,086 micro credit firms specialized in offering loans to farmers and small businesses as of end June 2013, up 300% from 2010. *Source: The Asian Banker*

## FROM THE REGULATORY CORNER

### US Enforces Consent Requirement on Direct Marketing Calls

**Direct Marketers Beware:** As of last week, oral consent to receive some types of marketing calls is not enough. Last year, the Federal Communications Commission (FCC) adopted several significant changes to its Telephone Consumer Protection Act (TCPA) regulations, which went into effect October 16.

Under these new regulations, businesses must obtain "prior express written consent" before placing telemarketing calls to mobile phones using an automatic telephone dialing system or an artificial or prerecorded voice, and to residential lines before using an artificial or prerecorded voice. The regulation also applies to faxes and text messages.

Another rules change gets rid of the "established business relationship" exception for artificial or prerecorded voice calls to residential lines as well as text messages to mobile phones. This exception allowed businesses to "robocall" if a customer had ever made a purchase from them or used a service of theirs. There are, of course, the usual exemptions for healthcare organizations, emergency calls, charities, and political groups.

Complicating matters further, the FCC has defined "prior express written consent" to mean "an agreement, in writing, bearing the signature of the person called that clearly authorizes the seller to deliver or cause to be delivered to the person" a telemarketing call to mobile phones using an automatic telephone dialing system or an artificial or prerecorded voice, and to residential lines before using an artificial or prerecorded voice. A signature, however, can be electronic or digital per applicable federal law or state contract law.

These new regulations could have significant financial and operational implications for both B2B and B2C businesses, big and small. To start, a customer voluntarily providing his or her phone number during a business transaction does not constitute consent to receive automatic telephone dialing system or artificial or prerecorded voice marketing calls. Companies that have been building their customer databases for years must now figure out how to collect written agreements or sacrifice years of lead generation.

The most serious implication of these rules changes is what happens when a company violates the rules. Based on past action, or lack thereof, aggressive or even tepid enforcement by the FCC is unlikely. Private action against companies, however, will almost certainly increase under the now-widened scope of the regulations. With the law providing for damages of up to \$1,500 per violation, even a small campaign can lead to millions in damages. Just last month, Bank of America (BoA) agreed to pay [2] \$32 million to settle charges that it made harassing debt collection calls to customers' cell phones. Last year, Sallie Mae settled a case for \$24 million and companies such as Yahoo!, Google, Facebook, and Dell, as well as numerous small businesses, have incurred significant costs in defending class actions. In one industry segment, suits have increased by 65% [3] in the past year alone, prior to the new regulations and its widened scope taking effect. *Source: [Outsell Insight](#)*

[Attend the BIIA – Hong Kong Knowledge Management Society Conference on BIG Data and Analytics](#)

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