

APRIL I - 2015 ISSUE

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BIIA Welcomes New Members



全联征信有限公司
United Global Credit Reference Co., Ltd.

[United Global Credit Reference Co. Ltd.](#), China as a new member



Data Bureau
FIJI - TONGA - VANUATU

[Data Bureau](#), Fiji, Tonga & Vanuatu as a new member

LATE BREAKING NEWS

Credit Bureaus and the Theory of Punctuated Equilibrium

The theory of *punctuated equilibrium* was recently used as metaphor in a speech of what credit bureaus could expect if they did not change their business model.

Import Details: Rapid change is underway in the form of technology which, by itself, is nothing new to the credit bureau industry, having used technology to get from paper to digital, and to automated, risk predictions. However, technology, in the form of digital payment systems and FINTECH, is unraveling the financial services industry, and credit bureaus are an integral part of the credit system. Credit bureaus are closed user groups that pool data based on the principle of reciprocity – i.e., the requirement to contribute data and, thus, having the right to extract data. With credit transactions migrating into alternative sources of finance, the marriage between banks and credit bureaus may become unglued. The lesser banks are involved in lending the less data will be pooled and extracted.

At the 9th World Consumer Credit Reporting Conference (Dubai, October 2014), the theory of punctuated equilibrium was used by **Tony Lythgoe**, a representative of the International Finance Corporation (IFC – World Bank Group) and an expert in credit reporting, as a metaphor to point that, unless credit bureaus changed their business model, their existence could be at risk. For some in the audience, who represented credit bureaus, which were only established during the last decade, Lythgoe's warnings were unsettling to say the least.



Punctuated equilibrium is a theory in evolutionary biology which proposes that most species will exhibit little net evolutionary change for most of their geological history. When significant evolutionary change occurs, generally restricted to rare and rapid (on a geologic time scale) events a species splits into two distinct species, rather than one species gradually transforming into another.

Implications: The effect of FINTECH will be that banks will not play as big of a role in the future of money and lending. Take ZestFinance, for example. It is one of the fastest-growing financial technology companies which aims to revolutionize the way banks and other financial services companies operate. ZestFinance uses game-changing

data-mining and analytical tools to enable lenders to bypass traditional credit bureaus. ZestFinance claims that, by using “big data” records sourced from individuals’ social network and Internet footprints, typical credit scores can end up 40 percent higher.

Banks are already fighting back by using such new tools to better predict risk, and by tapping into social media to determine what the spending aspirations are of their clients, not necessarily with the involvement of credit bureaus. ‘Powerful analytics for everyone’, as propagated by IBM, will permit lenders and other credit grantors to gear up to do their own data-mining, and use state-of-the-art predictive analytics tools to better predict risk.

Continued on next page

LATE BREAKING NEWS

Credit Bureaus and the Theory of Punctuated Equilibrium (continued from previous page)

In the case of using social media data, the credit bureau industry is hamstrung. Many credit bureaus shy away from using social media data for fear of negative fallout from privacy advocates, as it happened to Schufa, a leading German credit bureau. Schufa launched a research project with a university to determine whether social media could be safely and responsibly sourced from the Internet, and to find out whether some conclusions can be extracted from such data. The research project drew a lot of flak from privacy advocates and political activists, causing it to be withdrawn.

Perhaps one could speculate as to whether this trend of customer-bypassing-credit-bureaus is already responsible for the [retreating revenue growth rates](#) of consumer credit information in the US. Thus, the maxim in electronic publishing that, "in the end customers will become the largest competitors," may come true for credit bureaus.

Last, but not least, there is **the factor of regulation**. It has always been a game-changer for the industry, and life is likely to get tougher. Efforts in the EU to tighten privacy laws could become ugly for credit bureaus if certain privacy advocates have their way. Pooling credit data combined with credit 'profiling' has always been in their cross hairs. Some members of the EU credit bureau industry feel that if certain political demands in the name of privacy will succeed, the future of the credit information industry in Europe will face huge, and probably very serious, challenges. Malaysia and China have already tightened the noose on credit bureaus: Licensing, inspection, penalty regimes; further restrictions in the use of data. More countries will follow their lead.

There is also the specter of governments taking over the function of data pooling for the financial services altogether. Central banks in many countries operate credit registers, which pool loan data of banks. Participation is mandatory. Not so in the UK. The Financial Stability Board suggested to the Bank of England to create a credit register to pool lending data to improve lending in the small-business sector. Therefore, the UK may be getting a credit register soon in addition to the well-established credit bureau sector. An EU project is underway to link all central bank registers to provide transparency for regulators and the banking system. Thus, with central banks ramping up credit registers, who will need credit bureaus? Precisely such a comment was made by a Bank of France representative at an EU workshop. Such statements may encourage privacy advocates to push governments to use the public-sector credit registries for the pooling of credit data, and not private-sector credit bureaus. While this movement is posing a serious threat to today's prominent credit bureaus, it is their much-needed catalyst to accelerate innovation, and explore new business models.

Author: Joachim C Bartels, is Chairman and founder of Intrepid Explorers, Inc. (IEI). IEI is a co-founder of BIIA – Business Information Industry Association (www.biaa.com) of which Bartels is Managing Director and Editor-in-Chief. This article was published by [Outsell Inc.](#) on April 9th, 2015.

BIIA in Action - 2015 Asia-Pacific Forum on Financial Inclusion

BIIA representatives **Tony Hadley**, Senior Vice President of Government Affairs and Public Policy for Experian, **Lawrence Tsong**, President Asia Pacific for TransUnion and a director of BIIA, were presenting at the 2015 Asia-Pacific Forum on Financial Inclusion and Lending Infrastructure. Representing the BIIA membership was BIIA Asia Pacific Consumer Credit Information Committee Chair **Peter Sheerin**.

The event was organized by the Philippine Government, the APEC Business Advisory Council (ABAC), the Foundation for Development and Cooperation (FDC) and the Asian Development Bank.

LATE BREAKING NEWS

BIIA in Action: BIIA – APCCIS Regional Committee Meeting in Singapore

The APCCIS logo features the letters 'APCCIS' in a bold, yellow, sans-serif font. The background of the logo is a collage of financial-related images, including a computer keyboard, a document titled 'Credit History', and a document titled 'Income Statement'.

Information: The Key to Financial Inclusion

APCCIS, the **Asia Pacific Consumer Credit Information Services Chapter of BIIA**, met for the first time at the offices of the Credit Bureau of Singapore to discuss potential approaches to relevant industry issues. Industry advocacy was high on the list, so were the sharing of best demonstrated practices, data standards and cross border data flow. The committee has also discussed industry issues which should be on the program of the BIIA 10th Anniversary Conference on October 29th to 30th, 2015 in Hong Kong.

Committee chair Peter Sheering moderated the meeting. Minutes of the meeting will be distributed to attendees shortly. Any BIIA member wishing to participate in this initiative should contact Peter Sheerin at: sheerin.peter@gmail.com

Financial Inclusion: Benefits of Alternative Data

The PERC logo consists of the letters 'PERC' in a large, blue, sans-serif font. Below the letters is a horizontal line, and underneath that line, the words 'RESULTS AND SOLUTIONS' are written in a smaller, blue, sans-serif font.

New PERC Paper finds Growing Research Consensus on Benefits of Alternative Data

PERC released a new report recently that highlights the growing consensus on the credit market impacts of using alternative data. PERC's report **Research Consensus Confirms Benefits of Alternative Data** synthesizes findings from a diverse group of studies conducted by the private sector and other research organizations.

Among key findings are the following conclusions from studies examined:

- Credit Invisibility (either not having a credit report or having too little information to generate a score) affects tens of millions of Americans;
- Non-financial payment data (such as from gas, water, electric, cable TV, broadband, wireline and wireless telephone) that is fully reported (both timely and late payment data) and other alternative data are predictive of financial payment data based upon the actual experience of millions of Americans over time;
- Financial inclusion increases overall, especially for lower income Americans and members of minority communities, when fully reported non-financial payment data and other alternative data is available to lenders; and
- Including alternative data greatly reduces Credit Invisibility, enabling many to begin building a credit history, accessing low limit, mainstream credit, and protecting themselves against credit they cannot afford.

You can download the report on by clicking on this link:

<http://www.perc.net/wp-content/uploads/2015/03/ResearchConsensus.pdf>

LATE BREAKING NEWS

Credit Bureaus in India May Soon Use Social Media in Credit Scores



Credit bureaus in India may soon use data and client feedback from social media sites like Facebook, Twitter and Yellow Pages in credit scores.

Experian, which provides information to companies, gathers a lot of information from the social media space such as comments on Yellow Pages, consumer forums, company websites and published reports. "We are working with a private sector bank to look at using information that's available in the social media space for credit evaluation of customers," said **Mohan Jayaraman**, managing director,

Experian Credit Information Company of India. Experian also has a fraud prevention service called Hunter to check costly application frauds.

Under this product, it screens and highlights potentially fraudulent applications, enabling organizations to identify fraudsters before they become customers. Information on social media will be used to detect frauds in the small and medium enterprises space. Typically, a credit report is an individual's credit payment history across loan types and credit institutions over a period of time.

Jayaraman said that they are looking at the correlation between social behavior / credit information and their credit rating. The project is at an exploratory stage.

Credit rating companies use unstructured data like the ones on Yellow Pages, Facebook or Twitter to rate bank clients in other markets.

There are four credit bureaus in India — Credit Information Bureau India (CIBIL) owned by TransUnion, Equifax Credit Information Services, Experian Credit Information and High Mark Credit Information owned by CRIF.

Source: [Economic Times India](#)

BIIA Editorial Comment: This is an important development and it has to be seen how it will pan out in future privacy debates. As far as we know, credit bureaus in the EU are shunning the use of social media data in credit scoring. The German market leader Schufa launched a research project some time ago with a university to determine whether social media could be safely and responsibly sourced from the Internet, and to find out whether some conclusions can be extracted from such data. The research project drew a lot of flak from privacy advocates and political activists, causing it to be withdrawn. The objections raised by the Indian small business community give rise to concern.

The use of 'alternative' data, such as news, yellow pages and social media is seen to be a benefit in reducing the asymmetries in information and thus facilitating access to finance for small businesses. BIIA intends to debate these issues fully in the [BIIA 10th Anniversary Conference on October 29th and 30th 2015 in Hong Kong](#).

Small businessmen are worried that their rivals may potentially misuse the practice to harm their prospects.

Economic Times of India



diversity. To learn more about this conference [click here](#).

Robert Head of Thomson Reuters ASEAN has joined our lineup as the final keynote speaker for Opening New Information Markets in Asia Pacific. Come and hear how the company successfully launched **Westlaw Asia**, bringing together the vastly different legal systems of the region and effectively managing the issues of cultural and linguistic

MEMBER NEWS

Experian Named 'Organization of the Year' for Financial Literacy

Company recognized by the Institute For Financial Literacy® for its significant contributions to financial education through its public education and grant programs



Experian® was named the “Organization of the Year” and presented the Excellence in Financial Literacy Education (EIFLE) Award by the Institute for Financial Literacy during the Annual Conference on Financial Education in San Antonio. The EIFLE Awards acknowledge innovation, dedication and the commitment of individuals and organizations that support financial literacy education worldwide.

The Institute for Financial Literacy established the EIFLE Awards in 2007, and each year it continues to grow. This year’s competition was one of the most diverse, with nominations from around the world.

“Experian’s passion and dedication to consumers is very clear through the work and services it provides, and I congratulate its advocacy and distinguished accomplishments,” said **John Linfield**, executive director of the Institute for Financial Literacy. “It is an honor to recognize those that care so deeply about financial literacy, and it is my sincere hope that through efforts like Experian’s, one day financial literacy education will be ubiquitous in our communities, schools and homes.”

The foundation of Experian’s public education and grant programs is built on the principle of maximizing positive impact through strategic outreach and creating education materials at no cost for consumers and professionals who work with underserved audiences. Experian established the industry’s first dedicated consumer-education program more than 20 years ago and has supported the advancement of financial literacy through:

Consumer education through [Ask Experian](#), the first financial education advice column in credit reporting

Weekly consumer engagement through the [#CreditChat](#), a conversation about personal finance with a panel of experts via Twitter and YouTube

Donations to consumers through gifts-in-kind and financial-literacy programs totaling 1 million dollars annually

In addition, April is Financial Literacy Month and to support this year’s theme, “Light the Way for Financial Literacy,” Experian created a program with activities and education materials to help financial educators and consumers improve their understanding of credit principles and practices. Please visit <http://www.experian.com/blogs/news> to learn more about activities and new resources launching throughout the month.

About the Excellence in Financial Literacy Education (EIFLE) Awards: Established in 2007, the mission of the Excellence in Financial Literacy Education (EIFLE) Awards is to promote the effective delivery of consumer financial products, services and education by acknowledging the accomplishments of those that advance financial literacy education. Each year, the Institute for Financial Literacy presents the EIFLE Awards to individuals and organizations that have shown exceptional innovation, dedication and commitment to the field of financial literacy education. **Source:** [Experian](#)

MEMBER NEWS

Creditsafe Reports 2014 Revenue Growth of 23%

Creditsafe Group revenue grew 23% in 2014 as compared to the single digit growth rates of market leaders. Its revenues approaching the EURO 100 million mark.

- Revenues grew to €96 million from €78 million in line with forecasts - driven by organic growth in demand for services as well as the successful development of new operations in the USA and Italy
- Operating profits grew from €17.7 million in 2013 to €23.8 million in 2014
- Client numbers grew to 80,000
- Global headcount grew from 800 in 2013 to 1,000
- Aiming for significant further international growth in 2015
- Doubled the size of its Group Service Centre in Cardiff Bay

Commenting on the results, Creditsafe **Group CEO, Cato Syversen** said: *“2014 was another successful year for Creditsafe as we continued to grow our global operations organically in terms of headcount, profit and revenues. It has been particularly pleasing to see significant growth in the USA, where we opened an additional facility in Phoenix and grew our original team in Allentown, Pennsylvania to 150 people. In addition our new operation in Italy celebrated its first birthday and is already proving to be our most successful country launch ever; we’ve delivered over 500,000 credit reports to more than 3,000 subscription customers across Italy in a little over 18 months. This continues to show that our unique culture and approach to selling company credit reports can be exported successfully to other countries and we intend to maintain global expansion over the coming years.*

“Recognizing that this growth is only possible because of the quality of our people, we have announced a series of programs designed to focus on employee engagement and to help everyone on the team reach their full potential. These include a new range of structured management training schemes across the group. We also have exciting plans for new products and services in the year ahead, including a clear focus on including new data sources in our credit reports. Finally, to support our continued growth we have doubled the size of our Group Service Centre by taking the whole second floor of the Caspian Point One building in Cardiff Bay.”

Source: [Creditsafe](#) - To read the full press release [click on this link](#)

TransUnion Files IPO

TransUnion filed with U.S. regulators on Tuesday for an initial public offering of common stock. TransUnion filed for an IPO in 2011 but withdrew the offering in 2012 after it was sold by private equity firm Madison Dearborn Partners and the Pritzker family to [Advent International and Goldman Sachs](#).

According to Reuters, Goldman and Advent own about 49 percent each of the company. [Reuters reported last month](#) that TransUnion had revived plans for an IPO that could raise up to \$1 billion this year.

TransUnion's filing included a nominal fundraising target of about \$100 million. The amount of money a company says it plans to raise in its first IPO filing is used to calculate the registration fees. The final size of the IPO could be different. TransUnion did not reveal the exchange on which it planned plans to list its common stock.

Source: [Reuters](#)

MEMBER NEWS

TransUnion South Africa Forges Ahead in Voice Biometrics

TransUnion South Africa, in partnership with **OneVault**, has announced plans to develop a national **Voice Bank**. This national Voice Bank will result in the use of stronger biometrics, like voice, to help businesses curb fraud and identity theft and therefore alleviate the growing concerns around information security disciplines.

Voice biometrics is being adopted globally by companies, especially those with large contact center operations, because it offers faster, improved authentication, a better customer experience and a reduction in fraud. TransUnion's innovative offering is accessible via a hosted pay-per-use solution, enabling the benefits of voice biometrics to the local market.

TransUnion's national voice bank offers significant benefits for both consumers and business. Organizations that employ voice biometrics can reduce call handling times for agent-assisted calls, giving the ability to get to the heart of a consumer's enquiry quickly and with the overall result of improved customer and agent satisfaction.

In addition, identification accuracy is increased which assists in helping to mitigate fraud. As operational costs reduce, businesses can more aggressively and confidently evaluate and promote additional customer self-service. In global studies, users experience approximately 80% faster authentication via voice biometrics, with approximately 90% of users preferring the solution over the status quo. Thus, voice biometric authentication combined with other multi-factor authentication methodologies, can deliver enhanced business value.

The hosted Voice Bank solution currently has 30 000 voice prints, primarily acquired via TransUnion's consumer call center, but this number is expected to grow rapidly. TransUnion anticipates that building this Voice Bank will deliver significant value to corporate customers as this data type is reliable and unique.

South Africa, like the rest of the world, is encouraging transactions and product applications to shift online, but consequently is seeing increases in identity theft and in card transaction fraud. Consumers are increasingly vulnerable and technologies such as voice biometrics provide additional security measures that help to address these concerns. **Source: [It-Online.co.za](http://it-online.co.za)**

Atradius Reports 2014 Premium Growth of 6.5%

Atradius reported written premium rose 6.5% to EUR 1,497.6 million, increasing in Western Europe and showing good growth in developing markets:

- Insurance revenue rose 3.3% to EUR 1,573.4 million
- Gross insurance result (before reinsurance) improved 27.1% in 2014 to EUR 357.5 million
- Net profit: EUR 161.2 million, up 19.8%, with a major contribution from its Spanish operations
- Combined ratio: 77.3%, improvement of 4.2 percentage points
- Shareholders' equity: EUR 1,393 million, up 8.25%

Isidoro Unda, CEO of Atradius commented, "Sustainable performance is essential to our success and to the success of our customers. In 2014 we focused on developing and introducing new tools to ensure our customers receive the best possible service and risk management support. We are providing customers with more information and in many cases expanded coverage. This has resulted in another year leading the market with high customer satisfaction and retention. **Source: [Atradius Earnings Release](#)**

INDUSTRY NEWS

FICO, LexisNexis Risk Solutions & Equifax Joining to Generate Trusted Alternative Data Scores for Millions More Americans



FICO will use LexisNexis and Equifax alternative data to create scores for potentially 15 million unbanked and under-banked consumers

FICO, LexisNexis® Risk Solutions, and Equifax today described details of a pilot program currently underway. The pilot program allows 12 of the largest credit card issuers in the U.S. to use **alternative data** to identify creditworthy individuals who would otherwise be unlikely to obtain traditional credit.

Based on extensive research, FICO's data scientists found that alternative data such as property records, telecommunications and utility information can reliably be used to score 15 million consumers who do not have enough credit data to generate FICO scores. By using alternative data from LexisNexis and Equifax, FICO will give card issuers a FICO® Score that complies with relevant regulations that they can use to extend credit responsibly to millions of additional people.

"Working with Equifax and LexisNexis, we set out to help **unbanked, under-banked and disadvantaged people** gain equal access to the standard credit products enjoyed by millions of Americans," said **Jim Wehmann**, FICO's executive vice president for Scores. "We're excited by our pilot program's strong results thus far. FICO's focus is on expanding access to credit; not simply scoring more people. Our approach also addresses a paradox for people seeking their first traditional credit product – you often need a credit history before you can get traditional credit."

The data used in FICO's pilot program includes telecommunications and utility bills from Equifax as well as property and public records from LexisNexis. This new FICO Score is engineered to work alongside existing FICO® Scores. Card issuers will be able to use the alternative score without having to "rip and replace" existing systems, significantly lowering the cost and accelerating time to market.

"Card issuers are seeking opportunities to safely expand access to credit based on new data sources that are reliable, compliant and predictive and we have received an incredible response to this pilot program," said **Rick Trainor**, CEO, LexisNexis Risk Solutions, Business Services. "LexisNexis data, which the financial services industry has trusted for more than 40 years, provides additional insights about creditworthiness that can help bring millions of consumers into the financial mainstream."

"The best-in-class telecommunications and utility data available only from Equifax shows that unbanked consumers who, for example, make regular, on-time payments to wireless carriers, may be creditworthy and reliable customers," said **Joy Wilder Lybeer**, Senior Vice President of Enterprise Alliances, Equifax. "We want to help card issuers identify as many additional creditworthy people as possible, so as to work toward a more financially inclusive and responsible borrowing environment."

FICO is planning to complete the pilot program in the coming months, and expects to make the score based on alternative credit data available to more lenders later this year. **Source: [FICO Press Release](#)**

INDUSTRY NEWS

Thomson Reuters Launches Westlaw Asia

Thomson Reuters has launched Westlaw Asia, a single legal research platform, to deliver key resources such as cases, legislation, law journals and legal commentary to legal professionals in a user-friendly format. The platform includes dedicated Westlaw Philippines content. The Westlaw Asia platform currently covers the following jurisdictions: Hong Kong, India, Malaysia, Philippines, Singapore and the UK.

This new service is developed by a team based in the Philippines with legal expertise to provide the Philippines legal community with exclusive content such as case analysis documents for every decision published by the Supreme Court since 2005, the most widely used legislation, law journals including Arellano Law and Policy Review, Ateneo Law Journal and Journal of the Integrated Bar of the Philippines, and updates from the legal market. It allows users to customize search preferences by jurisdiction, content type, or practice area, issuance number, citation, party names, date, judge, and legal subject/catchword, save research history, and set up alerts to track changes and relevant updates.

The following jurisdictions will be covered in future: Brunei, Cambodia, China, Indonesia, Japan, Korea, Laos, Macau, Mongolia, Myanmar, Taiwan, Thailand and Vietnam.

Westlaw Asia also integrates content from Westlaw UK and Westlaw Next, thereby offering users a comprehensive collection of regional as well as international resources which provide clarity on the legal environment, wherever they may be doing business in. Westlaw Asia also includes domestic or regional practice area services covering company law and personal injury.

"Westlaw Asia aims to provide the legal and business communities with a robust platform that enables users to search for the essential and comprehensive legal information they need in a faster and more efficient manner," said **Klaus Pfeifer**, Managing Director, ASEAN & North Asia Legal business of Thomson Reuters. **Source: [ABS-CBNNews.com](#)** **Link to Outsell's BrainGain Event referenced above: http://www.outsellinc.com/asia2015_registration**



Outsell's BrainGain
**Opening New Information Markets
in Asia Pacific** MAY 19-20, 2015
co-produced with BIIA

Robert Head of Thomson Reuters ASEAN has joined the conference lineup as the final keynote speaker for 'Opening New Information Markets in Asia Pacific'.

Come and hear how the company successfully launched Westlaw Asia, bringing together the vastly different legal systems of the region and effectively managing the issues of cultural and linguistic diversity.

For further details go to: http://www.outsellinc.com/asia2015_registration

Equifax and Zoot Join Forces in All-In-One Mobile Banking Solution

Equifax Inc. announced plans for the release of MobilityPlus, a powerful end-to-end solution that leverages Equifax data and Zoot decisioning technology to facilitate the mobile account opening process while helping to minimize fraud risk.

MobilityPlus allows consumers to capture a photo of their ID on their smartphone or tablet to assist in auto-filling significant portions of their application, and in a matter of seconds, it performs a search-match analysis to help authenticate the consumer's identity, and determine whether the device in use may be associated with fraudulent activity. These processes pull in leading, knowledge-based identity questions and automated OFAC screening.

Source: TWST.com

NEWS FROM CHINA

China's E-commerce Market up 31% in 2014

According to the latest data published by the [China E-Commerce Research Center](#) (CECRC), China's e-commerce market grew by 31.4% in 2014 to reach a total market value of US\$2.2 trillion. In particular, online B2B trading grew 21.9% year-on-year and accounted for around US\$1.6 trillion – close to 75% of the total.

Online B2C trade reached US\$450 billion and was up by 50% over 2013. The consumer sector was boosted by transactions on platforms including JD.com, and Alibaba group's consumer-focused arms Taobao and Tmall – where Tmall's trade was valued at US\$123 billion in 2014.

The report also highlighted the growth in mobile usage as online transactions via mobile devices were up 240% reaching US\$150 billion. **Source:** *Business Strategies Group, Hong Kong* - www.bsgasia.com

Alibaba Makes Strategic Investment in Israeli Venture Firm JVP

Alibaba is digging deeper into Israel's startup ecosystem. Venture capital firm JVP (Jerusalem Venture Partners) announced yesterday that it will partner with Alibaba to give financial support to promising startups. The amount of money both companies will invest together was not disclosed. **Source:** [Techcrunch](#)

Alibaba Faces Uncertainty in Taiwan

Taiwan's Investment Commission has ordered the New York-listed e-commerce giant Alibaba Group to pay a fine of US\$3,800 and withdraw its Taiwan operations within six months. The government's investment regulator deems Alibaba a "Chinese company" after reviewing its post-IPO shareholding structure, which violates government restrictions on companies with Chinese ownership.

Alibaba's B2B trading platform, Alibaba.com, established its Taiwan branch in 2008 through Alibaba.com Singapore, a subsidiary of Alibaba.com Ltd. The company entered the market prior to the Taiwanese government's acceptance of direct investment from mainland Chinese companies. Alibaba reportedly has around 300,000 customers from Taiwan. **Source:** *Business Strategies Group, Hong Kong* - www.bsgasia.com

HC International's 2014 Revenues Up 15% - Profits up 22%

Hong Kong-listed HC International announced its revenues in the year were US\$156 million, up 15% compared with 2013. Net income for the year was US\$30 million – representing year-on-year growth of 22%. Dilute earnings per share in 2014 were RMB 0.2729 (US\$0.044).

HC's largest business segment, online services, generated 84% of total revenues which amounted to US\$131 million. This represents 17% year-on-year growth. The remaining revenues were generated from HC's seminars & other services (US\$16 million), trade catalogues & yellow page directories (US\$5.7 million) and anti-counterfeiting products & services (US\$2.6 million).

Separately, HC International announced the resignation of Mr. Yang Ning, executive director and president of the company. Effective 30th March 2015, Mr. Yang resigned from his position for personal reasons.

Source: *Business Strategies Group Hong Kong* - www.bsgasia.com

REGULATORY NEWS

Credit Information in Russia: Who has the Right to See a Credit History?



Russian citizens, as well as companies residing in the Russian Federation have the right to view their own credit history. However if somebody wants to review credit history of a third person (company or consumer), prior consent is required in writing authorizing access to their credit records.

The Term “credit history” has only appeared in Russia since 2005. Since that time full information on borrowers has been collected. Credit history contains all information related to a loan: violation of terms, acceleration and full credit repayment. A credit history contains the following parts:

- **"Title part of a credit history"** – provides basic data on the borrower (company or consumer) including identifiers (**consumer**: full name, place & date of birth, pass number, Tax number, state pension fund ID number; **company**: company name, visiting address, Tax number, OGRN number);
- **"Basic part of a credit history"** – provides advanced details of borrower (company or consumer) and data on payment obligations (loan amount, due date, terms of bank interest repayment etc.);
- **"Extra (confidential) part of a credit history"** – provides creditor data and information about companies requested the credit history of a consumer or a company.
- **"Informational part of credit history"** (on consumers only) – provides details of loan types, ways they were taken and reasons for rejecting the application.

The most relevant features in legislation that came into effect last year: The Consumer Credit Law and the concomitant Law No.363 of Russia came into effect on July 1, 2014 amended different legal acts including the Credit History Law. One of the most important innovations: credit histories are generated now automatically, no consent of borrowers (consumers and companies) is needed. According to the former provisions of the law, a consumer or a company had to provide consent to forward and store their personal credit data in the credit reporting bureau. Since July 1st, 2014 this rule was abolished. Thus the Russian credit history legislation is being brought into line with international standards.

In addition to financial institutions since July 2014 credit history reports may be requested by employers, landlords and other entities and organizations provided that consent has been given by the borrower (data subject). This applies to consumers and companies. This requirement applies also to debt collectors. According to the **Credit History Federal Law of December 30th, 2014 No. 218-FZ**, a credit reporting bureau is authorized to provide a credit history report to:

- A consumer or company acting as a **borrower**, according to loan agreement and in regard to which/whom this credit history is generated. A data subject may receive once a year its own credit history report free of charge;
- A company that received **borrower's (company or consumer) consent** in written or electronic form to receive and view the credit history report; the Central catalogue of credit histories – title part of a credit history;
- A court (judge) in frameworks of criminal proceeding or to a pretrial investigation body if investigation body administrator's consent is available - extra (confidential) part of credit history;
- A federal executive body authorized to ensure proper court handling and enforcement of court decisions as well as acts issued by other authorities - title and basic parts of credit history.

A consumer is authorized to view her/his own credit history only! Distribution, transfer, sale of any credit history data to third parties without consent of borrowers (consumers and companies) are declared illegal and lead to administrative penalty (unless such operations are part of punishable criminal offence).

Source: Information Agency Credinform (<http://www.credinform.ru/en-US>)

REGULATORY NEWS

EU Data Privacy Laws Annoy US Tech Companies



Europe is closer to approving new data-privacy legislation that is likely to raise tensions with US technology firms.

The European Union body representing member countries on Friday reached a tentative agreement on a controversial power-sharing mechanism between national privacy watchdogs that had been holding up the legislation amid furious corporate lobbying.

Supporters say the new privacy rules are necessary to update and harmonize a patchwork of national laws that date to the 1990s, at the dawn of the World Wide Web. But tech executives say restrictions on how they could use data for advertising purposes could force them to stop offering some free services. Tech firms and some governments also say the pan-European board could increase, rather than reduce, the regulatory burden, punishing smaller firms. **Source:** [Cyber Security Intelligence](#)

Data Protection and Privacy: US Data Broker Accountability & Transparency Act



Four Senate Democrats have re-introduced a bill that would enable consumers to wield control over how information about them is used by data brokers. The Data Broker Accountability and Transparency Act (S. 668) empowers consumers to stop the use and sale of their personal information by data brokers.

The measure also allows consumers to correct information held by data brokers, which the bill defines as companies that collect personal information in order to sell it to third parties. Peggy Hudson, senior vice president of government affairs for the **Direct Marketing Association**, says the organization opposes the bill. "It stifles the responsible use of data," she says. "It stifles innovation and hurts consumers."

The advocacy groups Consumer Watchdog, Center for Digital Democracy and U.S. Public Interest Research Group are backing the proposal, which is similar to one introduced last year by Markey and former Sen. Jay Rockefeller (D-W.Va.).

The current proposal comes less than one week after the White House floated a potential consumer privacy "bill of rights." That measure has drawn criticism from industry representatives, who say it is unnecessary, as well as privacy advocates, who say the proposal doesn't adequately protect privacy. **Source:** [Mediapost.com](#)

LinkedIn Escapes US\$5 million Class Action Lawsuit over Data Breach



A \$5 million class action lawsuit over LinkedIn data breach dismissed. A US judge ruled: Any damage done to LinkedIn users over the massive [June 2012 data breach](#) was abstract, not actual. Thus the [\\$5 million class-action lawsuit](#) got dismissed before the case ever breathed the air of a court trial. The breach resulted in the compromise of 6.5 million users' passwords. Within hours of the passwords being posted online, over 60% of the stolen passwords [had been cracked](#). Within days of the June breach, the lawsuit was filed on behalf of all users by two

premium LinkedIn users in the US, Katie Szyrka and Khalilah Gilmore-Wright. **Source:** [Nakedsecurity](#)

SMALL BUSINESS

Google Launches Small-business Initiative “Let’s Put Our Cities on the Map”



Google has created over 30,000 websites to provide every business in every city a fast, free and easy opportunity to help them get found.

Google is said to announce shortly a new initiative to help small businesses to be found online. The initiative is called “Let’s Put Our Cities on the Map” and Google has generated customized websites for virtually every town and city in the U.S. to enable local businesses to learn to improve the information that shows up on Google search, Google maps and Google+.

Studies have shown that consumers are looking for more than just basic information when searching online or on maps, but also expect to find other information – such as business hours – and photos easily. According to research conducted by Google and research company Ipsos MediaCT, consumers are 38% more likely to visit and 29% more likely to consider purchasing from businesses with more complete listings.

Google’s Soo Young Kim, head of marketing for Google’s “Get Your Business Online Program” (www.gybo.com) commented: “Small businesses have said that getting online is hard.” Thus in 2011, Google began conducting small business workshops in a number of cities. Let’s Put Our Cities on the Map grew out of that program as a way to reach more small companies. “We’re using sophisticated technology on the back end to make it simple for small businesses to get online and create their listing,” said Kim. “Google has created over 30,000 websites to provide every business in every city a fast, free and easy opportunity to help them get found.”

To read what a localized *Let’s Put Our Cities on the Map* website can do, [click on this link](#)

Source: USAToday.com

Ten Years of BIIA – Business Information Industry Association



BIIA will celebrate its 10th anniversary on October 29th and 30th 2015 in Hong Kong at the Park Lane Hotel. Please keep the date.

BIIA was initially launched as a regional association, but achieved global reach within two years. Ten years of BIIA means access to an archive of BIIA Newsletters reaching back to the fall of 2005.

BIIA has developed an unrivalled association database of business information industry announcements since 2010, with expanded search capabilities to extract news about acquisitions, product developments, partnerships, international expansion and industry professionals on the move. On average 50,000 visitors extract information from www.biaa.com monthly.

Are you looking for past issues of the BIIA Newsletter? Go to: [BIIA Newsletter Archive](#)

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