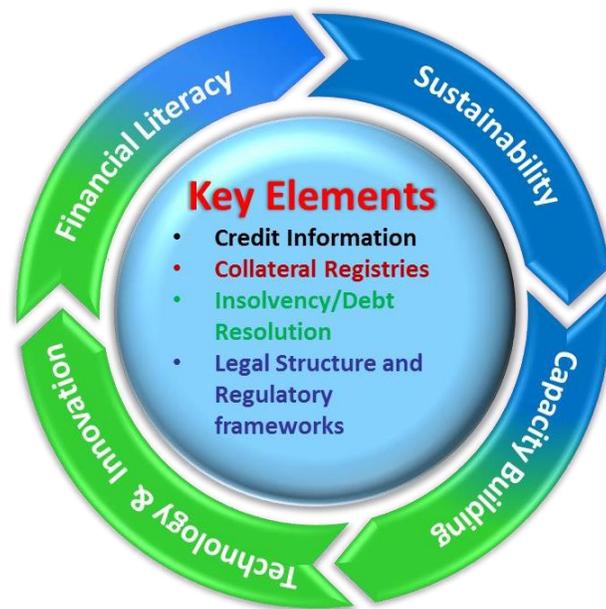




About the Conference

The biennial Conferences organized by Credit Information Sharing Association of Kenya (CIS Kenya) provide a unique meeting point for Africa’s financial sector players to share emerging developments on Credit Information Sharing and related aspects. The **5th Africa CIS Conference** will be different, with a wider conversation into the synergies that the broader credit infrastructure provides in promoting a more inclusive credit market.

Under the theme: **“CREDIT INFRASTRUCTURE FOR SUSTAINABLE GROWTH: Entrenching Dynamic Assessment of Risk”**, emphasis will be placed on inter-relationships between **4 key elements** and **4 enablers** of an effective Credit Infrastructure as illustrated in the figure below.



The conversation around the elements of Credit Infrastructure is driven by the need to have a comprehensive view of the contribution that each of them makes towards an effective credit market. The World Bank uses several parameters to rank countries in the Ease of doing business two of them being ease of getting access to credit and resolving insolvency. Movable collateral laws and credit information systems are key indicators used to measure ease of getting access to credit.

Kenya's ranking in the World Bank Ease of Doing Business indicators has continued to improve as a result of facilitative reforms put in place over the years bringing Kenya second after Rwanda in 2019. This ranking is in part attributed to a strong Credit Information Sharing (CIS) framework that is continuously being improved, thanks to facilitative reforms by the Central Bank of Kenya (CBK), with support from the World Bank.

In a bid to address public concerns on high cost of credit, CBK has issued the Kenya Banking Sector Charter that places the CIS mechanism at the center of efforts to improve loan pricing and transparency in Kenya's credit market. In addition, a movable collateral registry has been established, implementing the Movable Property Security Rights Act, 2017. The Registry is set to improve access to credit for small-to-midsize enterprises who have been locked out of the formal credit market because of the informal nature of their records and lack of collateral for secured loans.

Conference Objectives

- Appreciate key pre-requisites for robust and integrated credit market growth
- Review case studies from emerging markets that demonstrate successes and challenges around implementation of credit market reforms
- Consider realistic roadmap for deployment of effective credit infrastructure

Who should attend?

This is a must-attend event for banking and financial services industry professionals who endeavour to strengthen understanding of the working of financial services and how credit markets can scale up financial inclusion.

In particular:

- Government Ministries and Agencies
- Financial Services Regulators (especially Central Banks), Policymakers and other experts involved in development of credit market infrastructure
- Chief Executive Officers and senior managers of Financial Institutions
- Providers of Banking Technology (including E-Wallet and Mobile money) solutions
- Risk management consultants
- Development Agencies and NGOs that champion financial inclusion
- Academics, journalists and legal experts

- Heads of Innovation in financial services companies
- Payment Infrastructure Providers

Context of the Conference

Africa's 54 countries and its regional economic blocs demonstrate economically and culturally diverse environments and financial systems. Much of what is known about development finance in breadth and in detail tends to be based on, to a large extent, the experiences of the more intensively researched Asian and Latin American economies, and less on the African experience. There is thus a need for more country focused studies to unmask the peculiarities of the different African economies¹

It is now generally accepted that financial sector development is central to economic development and that inclusive financial systems are important. Delve into the history of countries that have achieved transformative economic growth and a common denominator emerges: in nearly every case they relied on sound financial architecture to effectively build and connect savings to investments. Africa's potential, if it harnesses the power of resilient financial architecture, is likewise, enormous.²

The World Bank defines Credit Infrastructure as the set of laws and institutions that enables efficient and effective access to finance, financial stability, and socially responsible economic growth through **credit reporting, secured transactions & collateral registries**; and **insolvency & debt resolution**. Even though Credit Bureaus and Collateral Registries are now operational in several African countries, the linkages and transformational effectiveness of the various facets of this infrastructure are generally at their nascent stages of development.

Developments in Credit Reporting Systems in SSA

As a critical component of Credit Infrastructure, credit reporting systems are comprised of the institutions, rules, procedures, standards and technologies that enable the exchange of credit and other relevant information. They contribute to expansion of responsible access to credit to a significant number of individuals and firms, while also supporting financial regulators in supervising regulated institutions in order to ensure that the systems remain safe and sound, minimizing systemic risk.³ The Conference will examine:

- Opportunities for expanding the scope of credit information through the use of new and innovative non-traditional data sources
- Enabling cross -border legal framework for credit reporting
- Integration of micro-credit information sharing

¹ Allen, F., Otchere, I., Senbet, L.W., 2011. African financial systems: a review. Rev. Dev. Finance 1 (2).

² <https://www.omfif.org/media/5436980/absa-africa-financial-markets-index-2018.pdf>

³ <http://www.worldbank.org/en/topic/financialsector/brief/credit-reporting>

Developments in Collateral Registries in SSA and linkage to credit reporting

Collateral provides the basis for free-flowing credit markets, reducing the potential losses lenders face from non-payment. While land and buildings are widely accepted as collateral for loans, the use of movable collateral (such as inventory, accounts receivables, crops and equipment) is restricted because many countries in Africa do not have functioning laws and registries to govern secured transactions. Reforming the framework for movable collateral lending allows businesses—particularly SMEs—to leverage their assets into capital for investment and growth. [The Conference will review opportunities for linkages between credit reporting and collateral registries.](#)

Developments in Insolvency Regimes

Every year, billions of dollars in business value, jobs, and capital are lost due to businesses' insolvencies. Ineffective debt recovery and weak mechanisms for business exit create a higher cost of capital and heightened perception of risk among investors and financial institutions.⁴ Insolvency and Debt Resolution frameworks are key drivers to improved financial inclusion as they increase access to credit, which may eventually lead to the reduced cost for obtaining credit. Well- functioning legal, regulatory, and institutional frameworks are crucial for commercial banks and companies to resolve non-performing loans, facilitate business exit as well as reorganization, settle commercial disputes, and collect debts. [The Conference will provide an opportunity for subject experts to share knowledge on the state of the reform in Africa.](#)

Developments in Legal and Regulatory Frameworks

With the ongoing digital transformation there has been a strong regulatory focus on encouraging innovation and development in the financial system. Finding the right balance between facilitating innovation and ensuring financial stability and consumer protection is an inherently difficult task. Regulators have had to find a middle ground to encourage innovation while dealing with the challenges that emanate from the adoption of the new technologies. Regulation has moved from KYC (Know your customer) to KYD (Know your data). This shift emanates from the fact that we are moving from a system where we regulate people to one where we will be regulating data that involves processes, automation and algorithms. Conference discussions will review developments on

- [Regulatory concerns amid Fintech developments- Market Integrity, Consumer Protection and Financial Stability](#)
- [How Regtech and Suptech are transforming the financial industry.](#)
- [How is the Emergence of big data, Fintech, etc affecting the regulatory perspectives?](#)
- [Regulatory Dilemma for Open Finance.](#)

⁴ <http://www.worldbank.org/en/topic/financialsector/brief/insolvency-and-debt-resolution>

Developments in Financial Literacy and Consumer Awareness

Financial literacy and consumer awareness are considered an important adjunct for promoting financial inclusion, financial development and, ultimately, financial stability. Several African countries have had successful Public Awareness campaigns on Credit Reporting Systems and Collateral Registries. The Bank of Zambia launched the credit reporting education and awareness campaign on 19 October 2018 while Kenya is expected to launch a similar campaign in 2019. Ghana launched Public Awareness campaign for both Collateral Registry and the Credit Reporting Systems on April 2018 as Tanzania launched the campaign on in February 2019. [Deliberations at the conference will review public awareness learnings on the approaches that work, and how they impact uptake.](#)

Developments in Technology and Innovation

Digital disruption in the financial service industry has transformed financial services in Africa, but is the continent ripe for the disruption? New business models, big data, artificial intelligence, FinTechs, next-generation payments, cryptocurrency, cyber threats, greater collaboration and data legislation are all transforming the sector. How do industry insiders see financial services evolving: which will be the real game-changers, how will the industry transform over the next few years and are institutions and regulators keeping pace?

The distributed ledger technology (blockchain), even in its infancy, has disrupted different industries and sectors; transforming everything from payments transactions to how money is raised in the private market. The overwhelming presence of alternative payment solutions in Africa could potentially pave the way for blockchain, since households may be less resistant to new technology.

Anticipated Outcomes

Participants will benefit from

- Learnings from a broad range of case studies and deliberations that will **encourage collaborations** needed for faster credit infrastructure development.
- **WBG's thought leadership** and showcasing of its reform interventions across SSA.
- Constructive **networking opportunities** for the anticipated more than 300 local and international Conference participants.

Structure of the Event

The 2020 Conference Agenda will include 12+ plenary sessions including a number of moderated discussion panels and a parallel exhibition forum to showcase disruptive products and services.