

A Cutting-Edge Platform to Drive Economic Transformation



OIC BUSINESS INTELLIGENCE CENTRE (OBIC)



The Importance of Information Sharing: the AMAN Union Database Example

The Definition of Credit Information:

- Information about a company's ability to pay its suppliers ([ft.com/lexicon](https://www.ft.com/lexicon))
- ▶ Information about a person's or company's ability to pay debt, examined especially by banks before they decide to lend money ([Cambridge Business English Dictionary](#) © Cambridge University Press).
- information about a company's ability to pay its suppliers (Longman Business Dictionary).
- The process of gathering, sharing, and distributing information about the performance of financial relationships.

Industry Definition for Credit Information:

***Credit Information is a tool to help the Insurer,
the Exporter, or the Bank to predict
who will borrow/buy, pay, or default.***

What Is a Credit Reporting Agency:

A Credit Information Agency or a Credit Bureau is a company that collects, processes, and maintains **credit information** on individuals/businesses and sells it to lenders, creditors, insurance companies, and consumers in the form of a **credit report**.

History of Credit Reporting:

Cooperative **Credit Bureaus** were known in some countries from the early 1860s, but the industry experienced rapid growth only after World War I. They were originally organized to facilitate the exchange of credit information among merchants.

What Is A Credit Report:

A Document supplied by a bank or a credit reporting agency (such as RIME) that summarizes an entity's credit history and present financial position and notifies about any lien in force or pending judgment(s) against the entity.

([ft.com/lexicon](https://www.ft.com/lexicon))

Sources of Credit Information:

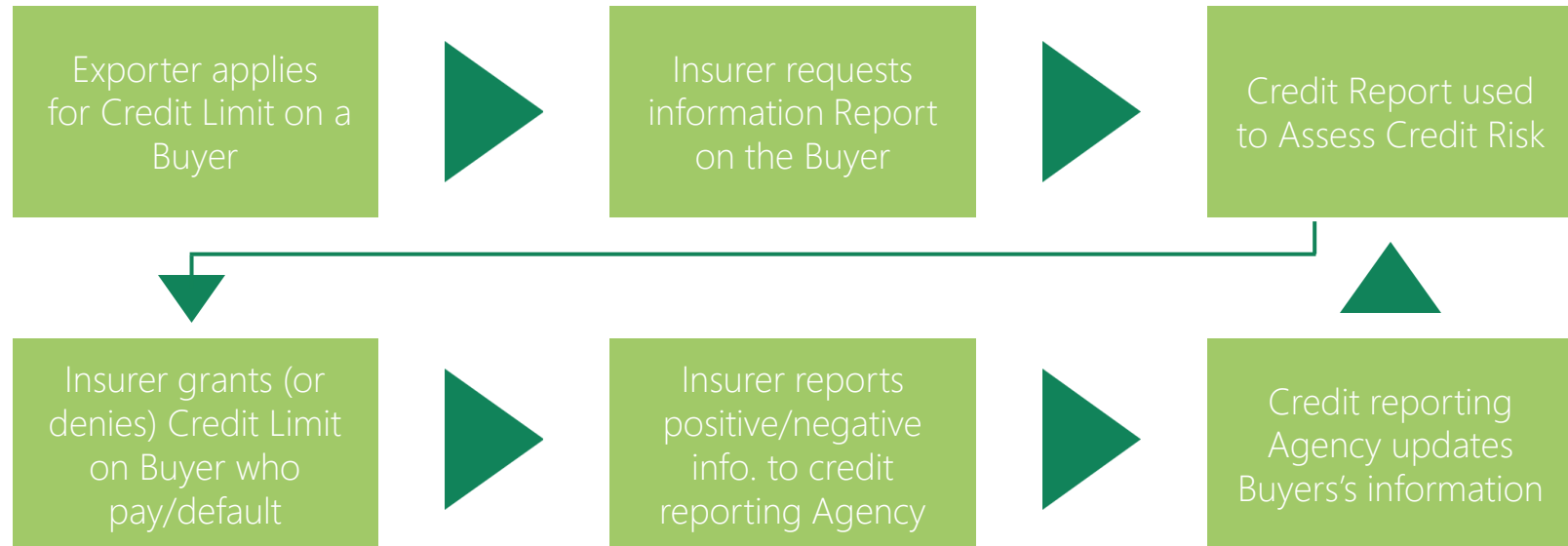
- > Public Sources (government records, courts, company registry ... etc.
- > Publicly available information
- > Specialized database on sanctions and KYC Check
- > Direct Contacts & Visits to Buyers
- > Information provided by Exporters

What to Expect in a Credit Information Report?

The Credit Information Report usually provides information, and in some cases, an analysis and a credit recommendation, to help the Credit Underwriter evaluate the existence, operations, stability, and profitability of a business and keep pace with major changes that can impact the decision-making process. The details covered in the report are as follows:

- **Details of Company:** Name, Address, Legal Status, and commercial ref. no.;
- **Business Activity and number of employees,**
- **Corporate Structure and Ownership;**
- **Banking information;**
- **Financial Information;**
- **Payment Experience;**
- **Special Events of importance.**
- **Credit Opinion and maximum recommendation.**

Credit Info. in Trade Credit Cycle:



Levels of Information Sharing

1. Corporate Level Databases
2. Country and Regional Level Databases
3. Cross-border Databases Level

Benefits of Information Sharing:

1. More comprehensive information for all decision-makers
2. Coordination and cross-fertilisation across data collectors
3. Better quality and a reduction in reporting burden.

Impediments to Information Sharing:

1. Legal and Confidentiality Constraints
2. Organizational, Cultural, and Technical Aspects.

Information Sharing Good Practices:

1. Establishing appropriate communication with stakeholders and seeking proper institutional endorsement
2. Ensuring a clear legal basis for information sharing
3. Establishing fully-fledged cooperation at all levels
4. Collecting common data using joint methodological and technical standards.
5. Ensuring sound measures to protect confidential information.
6. Formalizing governance and cooperation arrangements.

Information Sharing: Points to Consider

1. Integration of various large databases is an important new development that affects the scope of information-sharing and cooperation, as it allows the flow of information from different sources.
2. There is a need to create a new culture of information-sharing
3. Some obstacles may be faced during the planning and implementation of information-sharing initiatives, especially during the initial phases, and they need to be addressed.

About AMAN Union:

AMAN Union is a professional forum assembling Commercial & Non-commercial Risks Insurers & Reinsurers in Member Countries of the Organization of the Islamic Cooperation (OIC) and of the Arab Investment & Export Credit Guarantee Corporation (DHAMAN).

AMAN UNION was launched on 28th October 2009 following an initiative by the Arab Investment and Export Credit Guarantee Corporation (DHAMAN) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) to join their efforts for establishing a union for commercial and non-commercial risks Insurers and Reinsurers in their respective Member Countries.

Membership Types of AMAN Union (1/2):



AMAN UNION
The Association of Arab & Islamic Export Credit Insurance Agencies

1. Full Membership:

Full Membership shall be available to Founding Members and to commercial and non-commercial insurers and reinsurers upgraded from Associate Membership. This includes national and international commercial and non-commercial risk insurers and reinsurers, and general insurance companies having commercial and non-commercial risk insurance windows

2. Associate Membership:

National and international commercial and non-commercial risk insurers and reinsurers and general insurance companies, having commercial and non-commercial risk insurance windows, Credit Information Agencies, Credit Information Agencies, and Debt Collection Agencies are also eligible for Associate Membership

Membership Types of AMAN Union (2/2):



3. Observer Membership:

Membership as an Observer shall be open to Factoring companies in the Member Countries, Commercial and Development Banks, any institution engaged in the commercial and non-commercial risk insurance or reinsurance industry, in addition to any institution engaged in activities incidental to commercial and non-commercial risk insurance or reinsurance.

Aman Union Database: An Example

The Database is an initiative by the AMAN UNION and is the first of its kind in the Arab and Islamic region, established for the benefit of national export credit insurance agencies in the region and enables the Subscribers in the Database to share and purchase credit information reports, credit opinions on entities worldwide and to exchange their underwriting experience on buyers and banks. The Database was officially launched during the 4th Annual Meeting of the AMAN UNION held in Qatar on 10 December 2013 and is currently providing its services to its 10 Members of ECAs (currently 8). The Project is managed by a Technical Team currently composed of Professionals from ICIEC, Turk Eximbank, and Dhaman.

Objectives of the Aman Union Database:

1. Creation of a network of reputable Credit Information Providers that can provide credit reports on buyers and banks worldwide, at reasonable costs and with the highest possible quality of service.
2. Creation of a platform that provides where Member ECAs can share their approved credit limits, claims paid, and recoveries made.
3. Reducing the admin work involved in the follow-up of orders with Providers and also reducing the cost involved in transferring the cost of reports to several providers.

Membership in Aman Union Database:

Membership in the AMAN Union Database is currently restricted only to Full Members of the AMAN Union, but the Technical Team of the Database has submitted a proposal to the Executive Council of the Union to develop a Charter for the Database that governs the membership, the rights of the members as well as the way the Database Centre is to be managed. One of the main features of the Charter proposed is enlarging the scope of membership to include also the Associate Members of the Union, with an exclusion for the members who are having credit information production activities. The Proposal is currently subject to comments/review by members and will be submitted for approval in the Annual General Assembly of the Union in May 2023.

AU Database Network of Providers:

The Database utilizes a strong network of specialized credit information providers to obtain credit information reports on buyers and banks worldwide.

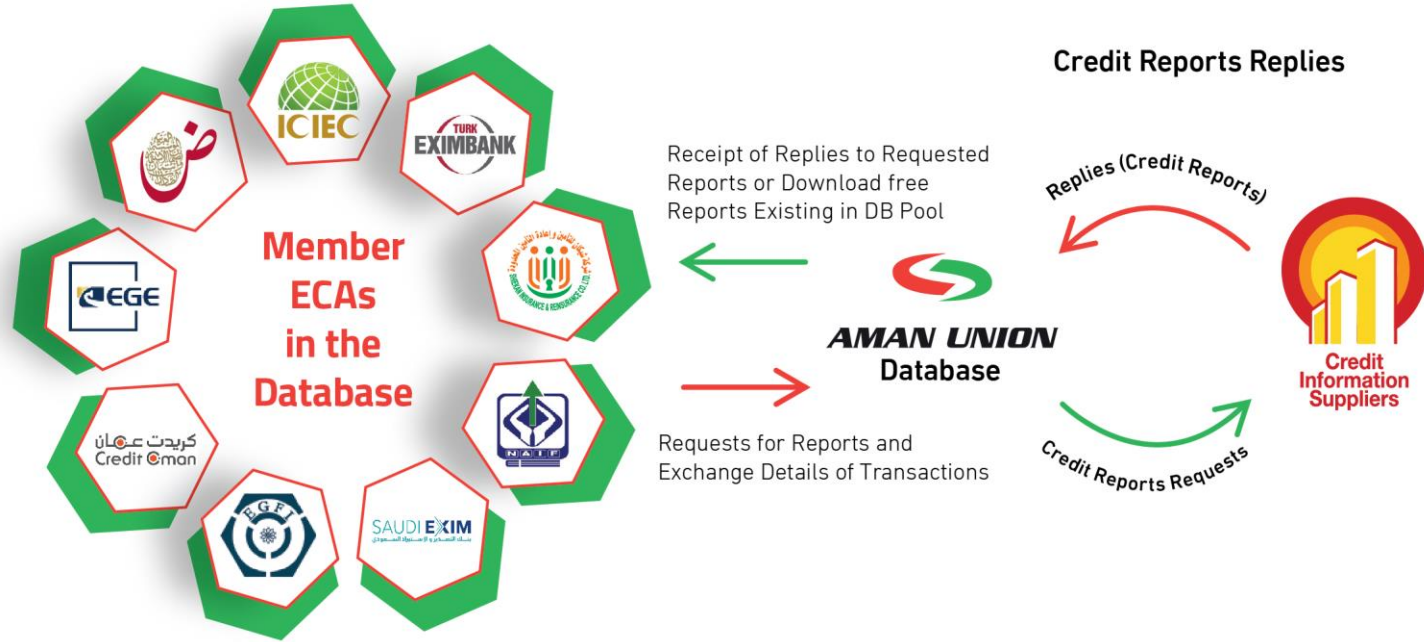
The relationship with those providers is governed by Credit Information Services Agreements that were signed among the AMAN UNION, the Provider, and the Database Manager (RIME).



Relationship Management in AU DB:

1. AU Member ECA Apply for Membership of DB.
2. Application review and approval/rejection.
3. Member ECA signs the Credit Information Services Agreement (AU SG, AU DB Manager, and the Member ECA).
4. AU DB Manager assigns User ID and PW in coordination with the Technical Team of the DB.
5. Users from Member ECA start using IDs and PWs to order credit reports via the AU DB
6. DB Manager manages orders between Users and Information Providers and invoices Member ECAs for the cost of reports.

DATABASE MECHANISM



Some Achievements of the DB:

1. Considerable savings in the cost of reports for Member ECAs utilizing the services of the Center.
2. Reduced the time taken to receive the reports ordered, with less effort for follow-up as this task is done by the DB Manager on behalf of the Member ECA.
3. The Technical Team of the DB is currently working on the development of Webservices connection between the Providers' systems, the Database Center, and the Member ECAs with the objective of minimizing human intervention in the order/receive process and populating the data directly into the ECAs underwriting/credit scoring modules..

Most Important Achievement:

Inspiration for ICIEC to take the AMAN Union Database Project further and as a result, the idea of creating the OIC Business Intelligence Centre was initiated to replicate the success story of the Database.





From AMAN Union Database to OBIC

OBIC PARTNERS





Thank you