



## **CREDIT REPORTING ACT, 2018 & CREDIT REPORTING REGULATIONS, 2019**

The Credit Reporting Act, 2018 and the Credit Reporting Regulations, 2019 (“the legislation”), provide the legal framework which supports the establishment of a national credit reporting system in The Bahamas. The Act provides for the regulation of the conduct of credit reporting and credit reporting services, including the licensing and supervision by the Central Bank of credit bureaus established in The Bahamas. The Act empowers the Central Bank to, *inter alia*, conduct on-site inspections of licensed credit bureaus and issue standards and guidelines regarding the provision of credit reporting services.

The Regulations set out the information and documents which must accompany an application for a licence to operate a credit bureau in The Bahamas, describe the factors which the Central Bank must take into account when assessing an application for a credit bureau licence and the procedures for consumers who wish to dispute the accuracy of information in a credit report or lodge complaints.

### **Key parameters of the legislation include provisions which:**

- a. Protect consumer rights.
- b. Establish the rights and obligations of the credit bureau, its users, and the organizations that supply information to the bureau.
- c. Provide clear guidelines on the kinds of information that can be collected and disseminated which includes consumer’s personal information (for example, name, date of birth, passport number, address) and credit history of the consumer, including the nature and amounts of loans granted, or to be granted, to the consumer. Information must be relevant, accurate, and meet the quality standards prescribed in the legislation.
- d. Require the proper use of consumer information.
- e. Facilitate comprehensive credit information sharing (positive and negative information sharing).

- f. Indicate how long information can be retained. All information on a particular consumer is saved for a defined period, rather than erasing negative records once debts have been repaid.
- g. Set out market entry, permanence and exit criteria for a credit bureau operator.
- h. Specify how databases will be maintained, sold or otherwise disposed of if a credit bureau operator decides to leave the market, fails or otherwise suspends services.
- i. Identify minimum requirements for the operation of a credit reporting activity designed to ensure adequate data security, to comply with restrictions on access to information and to maintain data quality, reliability of the credit bureau's services and the ability of the credit bureau to meet the demands of its users.
- j. Facilitate the effective supervision of the credit reporting sector and enforcement of the requirements of the credit reporting legislation by providing the Central Bank with effective powers for fulfilling its responsibilities including, the ability to request information, external audits and periodic reports, to bring court actions when necessary, to levy sanctions and penalties when warranted, and to move to close operations under the most extreme circumstances.