

NATIONAL RESERVE BANK OF TONGA
CREDIT BUREAU LICENCING GUIDELINES

Introduction

1. This Guideline is issued in terms of Section 59A of the National Bank of Tonga (Amendment) Act 2014 which states that the Reserve Bank may regulate, license, register and supervise credit information systems to collect and disseminate credit information among financial institutions and for that information to be used only for the purpose of improving the quality of bank credit and in the Reserve Bank's supervision of financial institutions.
2. The purpose of this Guideline is to provide an adequate framework for the establishment of a credit reporting system in Tonga with the purpose of improving the quality of bank credit and in the Reserve Bank's supervision of financial institutions and strengthening reliable, competitive, responsible lending and increasing financial inclusion.
3. The credit reporting system is established for the following purposes:
 - a. To improve the quality of bank credit and in the Reserve Bank's supervision of financial institutions.
 - b. To evaluate the creditworthiness and over indebtedness of a Consumer in relation to a credit or loan application.
 - c. To support the Reserve Bank to monitor credit flow of the financial system and to analyse data to produce financial stability reports.
 - d. To evaluate credit risks, and/or to review or give a credit or loan.
 - e. To evaluate risks associated with the transactions of deferred payments.
 - f. To confirm the identity of a Consumer.
 - g. To allow a Consumer to confirm the accuracy of his or her information in a credit report.
 - h. To evaluate or audit the efficiency, reliability and legal compliance of the Credit Reporting System.
 - i. The information contained in the Credit Reporting System shall not be used for any different purposes other than the ones established under this Guideline unless specific consumer consent is obtained in a format approved by the Reserve Bank.
4. This Guideline is based on the General Principles for Credit Reporting, which were created by a Task Force coordinated by the World Bank, with support from the Bank for International Settlements and were published in 2011.
5. Definitions:

Affiliate means a company wherein another company's shareholding is at least 20% but not more than 50% of the issued shares or where that other company has the power to exercise significant influence over the policies of management of the company.

Adverse Action means the denial of credit, or change in the conditions and terms of the credit or loan based on information contained in a credit report.

Authorized Users means each of the final persons that will have authorized access (submitting and/or accessing data) to the database. It includes designated employees of Data Providers, employees of Credit Reporting System Service Providers and designated employees of the Reserve Bank (limited to undertaking supervision activities only).

Borrower means an individual or a business that owes debt to another individual or a business (i.e. the creditor) as a result of borrowing money.

Code of Conduct means the rules and regulations governing the operations of Credit Reporting System in an agreement between the Credit Reporting System Service Provider and the Authorized Users.

Commencement Date means the date that Credit Reporting Systems Service Provider will start providing Credit Reporting Activities to their Data Providers and Authorized Users as notified by the National Reserve Bank of Tonga.

Consent means a written and voluntary authorization signed by the Consumer allowing Data Providers to input his/her information into Credit Reporting Systems and share with Authorized Users for Permissible Purposes provided in this Guideline for the life cycle of the loan.

Consumer means any legal or natural person whose data has been or might have been included in Credit Reporting Systems on the basis of a contractual relation with a lender or a lending application signed by him/her or any other legitimate purposes.

Credit Information means information related to economic and financial obligations of a Borrower, including the payment history, guarantees, publicly available information and any other relevant data for credit decision making.

Credit Reporting Activities means any activities that fall under the scope of this Guideline, including the provision of credit reports and other relevant services.

Credit Reporting System means institutions, rules and standards, technology and data which enable exchange of credit information among all financial institutions.

Credit Reporting System Service Provider means any entity that conducts credit reporting activities and has obtained a license from the Reserve Bank.

Data Providers means financial institutions who furnish information to the Credit Reporting System.

Financial institution is as defined in the National Reserve Bank of Tonga Act and the Financial Institutions Act.

Guarantor means an individual or legal entity who has personal liability for a credit facility in the event the Borrower defaults.

Negative Credit Information means information relating to overdue, past due, written off or delinquent status of any credit transactions between a Borrower and data provider.

Positive Credit Information means a Borrower's information or data, including loan application data, total credit exposures such as loan size, maturity, payments, terms and conditions, and collaterals.

Public Information means information filed or recorded by government agencies. Typical public records include corporate and property records, court judgments, and identification information, among others. These records are subject to be made available to the public.

Role of Reserve Bank

6. The Reserve Bank has authority to:
 - a. issue, suspend and de-license the Credit Reporting System Service Providers;
 - b. monitor the compliance with the rules, regulations, Code of Conduct, terms, procedures and operating systems;
 - c. supervise the adequacy of mechanisms in ensuring continuity of the services, including the entry and exit requirements of Credit Reporting System Service Providers and financial institutions, and other requirements;
 - d. require the Credit Reporting System Service Providers to adopt necessary measures enabling the mandatory participation of all financial institutions, operating in the credit market; and
 - e. penalise all parties interacting with the Credit Reporting System, including but not limited to Data Providers, Authorized Users and Consumers.

Establishment of a credit reporting system and licensing application requirements

7. Any Credit Reporting System which will be established must be set up as an efficient, safe and reliable entity with the aim of ensuring fair and equal treatment to financial institutions. The Credit Reporting System shall be subject to supervision by the Reserve Bank with the view to overseeing compliance with any relevant legislation, this Guideline and any code of conduct issued.
8. No person may engage in Credit Reporting Activities or hold himself out to the public as engaging in Credit Reporting Activities without a license from the Reserve Bank.
9. No person other than a legal entity incorporated under the Companies Act 1995 shall be licensed to carry out credit reporting activities.
10. Any person interested in carrying out Credit Reporting Activities shall apply for a license from the Reserve Bank by completing the application form in Annex 1.
11. Any application for a license shall be accompanied by the following information and supporting documents:
 - a. Relevant documents regarding the legal status of the company.
 - b. Statements of the applicant's previous relevant experience including the names of shareholders, the percentage of their shareholding and amounts invested and any investments in any other local companies.
 - c. Statement that directors are fit and proper, have adequate qualifications and relevant skills and experience.
 - d. Documentation outlining the organizational structure, business plan including three (3) years financial projections for the operations of the Credit Reporting System, information on the IT systems and an operational manual containing internal processes and procedures.
 - e. Documentation outlining all relevant agreements with other providers.
 - f. Governance structure including the composition of the Board of Directors and selection criterion.
 - g. Business continuity plan.
 - h. Proposed pricing policies.

- i. Code of Conduct and other relevant rules for the functioning of the system.

The Reserve Bank may require further relevant information or documents deemed necessary for assessing the application.

12. An application for licence shall be accompanied by a fee of \$5,000.
13. The Reserve Bank may charge and collect a licence fee of \$1,500 for each year that a license is in effect and which shall be paid by a licensed Credit Reporting Service Provider on the anniversary of the date of its licence being granted.
14. All applicants shall send the application in writing together with all the relevant documentation to the Reserve Bank. Within ninety (90) days after the satisfactory receipt of the application, supporting documents and fee payment, the Reserve Bank shall issue a notice to the applicant in writing with the approval or refusal of the application.
15. The Reserve Bank shall, where the decision is in favour of the applicant, issue to the applicant a licence subject to terms and conditions as may be specified in the licence.
16. The Reserve Bank may, at any time, amend, vary or cancel any condition attached to, or impose new conditions on, the licence of a Credit Reporting Service Provider.

Data Sources

17. The Credit Reporting System will collect, load, and disseminate Credit Information and related Data about individuals and firms from the following sources:
 - a. Financial institutions, users and other data providers; and
 - b. Other public information available via lawful means.
18. Credit Reporting Service Providers shall be able to access publicly available information from other sources, including:
 - a. An institution or organization in charge of Business Registration, Land Titles, Secured Transactions Registration (Personal Property Security Registration), Income or other lawful taxes, or other property rights;
 - b. An institution or organization in charge of keeping identification files such as any national identification register, passport or tax number.
 - c. The Credit Reporting System Service Providers may collect data on court judgments and insolvency proceedings when available and obtained through lawful means.
 - d. Any other source of data which would be relevant for the purpose of credit assessment

Collection and Distribution

19. Credit Reporting System will collect, process, and store Credit Information obtained from the Data Providers and other data sources according to the best possible knowledge, including operational guidelines to protect data from misuse, unauthorized access, loss, or system failure. Credit Reporting System will introduce quality control procedures to ensure the continuity of the service.
20. Data Providers shall submit their complete loan portfolios according to the layout and format established by the Credit Reporting System Service Provider in agreement with the Reserve

Bank. It will include two parts, one containing identifiable information of the Borrower and Guarantor and another relating to the credit transaction data.

21. Data Providers shall provide the first file within ninety (90) days, beginning from being notified of the Commencement Date.
 - a. The Credit Reporting System shall load all relevant data that complies with the File Layout and validation rules received from the Data Providers within a period of five (5) Business Days since the receipt of Data.
 - b. All Data Providers shall provide a complete update of their Credit Information every month, submitted by the fifth day of the next month.
 - c. The file shall be provided in the format approved by the Board of Directors and approved by the Reserve Bank.
22. Credit Reporting System Service Providers shall be responsible for the Credit Reporting System database and shall provide the Credit Information Services to Financial Institutions, Data Providers and other Authorized Users under this Guideline, the Code of Conduct, or any applicable legislation or regulations.
23. Credit Reporting System Service Providers shall be responsible for any data leakage as of a result of system failure or data misuse by its employees. Credit Reporting System Service Providers shall ensure adequate storage and filing systems are in place for the safe keeping of all records in Tonga.
24. Credit Information shall not be sold or disclosed by any of the Financial Institutions, Data Providers, or any Authorised Users to any third party. Financial Institutions, Data Providers, or Authorized Users, shall not use the information obtained from the Credit Reporting System to provide services to third parties or to conduct marketing campaigns, other than to their existing customers.
25. Credit Reporting System Service Providers may modify the terms and conditions of the service to guarantee or improve the performance of the service. Credit Reporting System shall send a notice to the Data Providers within 60 days before the new conditions come into effect.

Access to credit information system

26. All financial institutions shall use the Credit Reporting System to analyse the payment behaviour of the applicant whenever they receive any new loan application, or renewal or extension of an existing credit facility, regardless of the loan amount.
 - a. Access to the Credit Reporting System shall be only restricted to Data Providers or Authorized Users under the terms established in the Code of Conduct.
 - b. The Credit Reporting System Service Providers shall establish processes, procedures and rules for determining how Authorized Users are to be authorized.
27. The Credit Reporting System Service Providers shall ensure that the service is, secure, stable and usable, and shall ensure that the Credit Reporting System is fully capable of serving Data Providers and Authorized Users.
28. Credit Reporting System Service Providers shall not be responsible for non-authorized access that occurs as a consequence of the sharing or disclosure of access codes or passwords with third parties by any Data Provider or Authorized User.

29. All Data Providers and Authorized Users shall be subject to the security measures procedures adopted and contained under the Code of Conduct.

Obligations of Relevant Parties to Ensure Data Quality

30. Credit Reporting System Service Providers and Data Providers shall use their best endeavours to make sure that the consumers' information collected, used or disclosed is accurate, complete and up-to date. The data shall be collected by lawful and fair means and shall include only necessary information such as valid identification and credit payment history of the Consumer.

31. Credit Reporting System Service Providers shall :

- a. Establish adequate procedures to ensure completeness and veracity of the information
- b. Ensure that Data is updated on as soon as practical according to the Code of Conduct;
- c. Establish adequate mechanisms for data correction and deletion; ensuring that all users accessing incorrect data during the previous three (3) months are sufficiently informed and notified of the error; and correct the data according to the time frames as set out in the Code of Conduct; and establish adequate mechanisms to ensure that all users that have access to the incorrect data in the last three (3) months are aware of such error and receive the correct information; and that a copy is also sent to the Consumer; Be accountable to Data Providers, users, and Consumers for any Data errors that have occurred during the processing or distribution of Credit Information as a result of gross negligence or reckless behaviour.
- d. Correct Data within three (3) business days after receiving notification of the error or omission and establish adequate mechanisms to ensure that all users that have accessed the Data in the last three (3) months are aware of such material error and receive the corrected information after being updated;
- e. Receive a copy of the updated report and provide to the Consumer with the primary address held in file by the Credit Reporting System Service Providers;
- f. Be liable for any claim from the Consumers that may result in a substantial damage of the Consumer's financial reputation, as a consequence of gross negligence or reckless behaviour;
- g. Make all reasonable efforts to mitigate damages suffered by the Consumer for Data errors.
- h. Shall be liable to the Data Provider, Authorized User, the Reserve Bank or any third party for any claim in connection with any delay, interruption or failure of providing Credit Information or statistical reports, unless they are resulting from governmental orders, sabotages, riots, vandalism, ISP denial of service, or any other cause that is beyond the Credit Reporting Service Providers' reasonable control;
- i. Not transfer, sell or rent any Credit Information submitted by Data Providers, or Authorized Users other than for the purposes as set out in this statement.

32. Data Providers shall:

- a. Be accountable for any incorrect and out dated information sent to Credit Reporting System Service Providers;
- b. Be liable for any claim from the Consumers regarding errors that are material to a substantial damage of customer's financial reputation, as a consequence of gross negligence or reckless behaviour in compliance with the decision made under the conflict resolution mechanisms provided in this statement;

- c. Mitigate damages suffered by a Consumer for data errors by establishing all necessary policies and procedures within the stipulated time frame for dispute resolution.
33. Each Data Provider shall have its own credit decision making rules. The Credit Information and other services provided by the Credit Reporting System shall be considered as one of the tools for credit risk decision process, but the decision shall not be made solely on the basis of the Credit Information obtained from the Credit Reporting System.

Data Security

34. Credit Reporting System Service Providers and Data Providers shall ensure the integrity and security of the database at all times. To prevent misuse or unauthorized access, data loss or data corruption, Credit Reporting System shall have systems, processes and procedures to ensure data recovery and disaster plans to prevent data loss or data corruption:
- a. Access to the database will be restricted to Authorized Users only;
 - b. Credit Reporting System Service Providers shall establish adequate mechanisms to ensure that Data will be used only for Permissible Purposes or other lawful purposes with Consumer's Consent.
35. Data Providers shall ensure the availability of adequate security measures, policies and procedures. Security measures policies for the operation of the Credit Reporting System shall be approved by the Board of Directors of the Credit Reporting System Service Providers and the Reserve Bank. The measures adopted should be reflected from a technical, organisational and technological view.

Data Retention Period

36. Information collected by Credit Reporting System will be distributed among data providers for a period of 7 years from the payment or settlement deadline in case of Positive Information;
37. Court judgment data will be distributed after 7 years from the judgement date;
38. Bankruptcy data will be distributed for a period of 7 years from the date of discharge;
39. Negative Information will be distributed for a period of 7 years from the payment deadline.
40. Subject to 36 – 39 above, Credit Information may be retained indefinitely for analytical purposes or for the development of value services such as scorecards, fraud ID or the like. No Credit Information can be distributed other than as authorised in 36 – 39 above.

Financial Institutions

41. All Financial Institutions are required to contribute Positive and Negative Information to the Credit Reporting System on a monthly basis. Any failure to contribute and/or access data shall be subject to administrative penalties provided under Annex 2 of this statement.
42. Consumer Consent is not required for the initial upload of any current credit Information submitted by Financial Institutions so long as the Financial Institutions give written notification to the customers last known address at least 60 days prior to the Commencement Date. Negative Information will be subject to the timeframe restrictions as set out in 39 above.

43. A Consumers' consent shall be obtained for Data collection and Data access after the Commencement date. No Consent is required in respect of legal entities.
44. Financial institutions are granted a timeframe of a maximum of nine (9) months to adapt their systems to provide Data on a monthly basis from the effective date of this statement.

Consumer Rights

45. Credit Reporting System and relevant parties shall ensure:
 - a. Consumers' rights regarding their data will be respected;
 - b. The Credit Reporting System Service Providers shall establish a dedicated unit with clear rules and procedures to handle claims and requests from Consumer's regarding their Data;
 - c. No Data related to Consumer's political tendency, beliefs, colour, race, religion and personal private information will be collected and stored in the Credit Reporting System;
 - d. Data will be collected for the Permissible Purposes provided under this statement and outlined in 3 above. Data collected or used for different purposes than the ones stated under 3 above will need unambiguous Consumer's Consent.

Consumer rights over information

46. Consumers shall be entitled to request disclosure of any Data held by the Credit Reporting System Service Provider pertaining to him/her once annually, at no cost.
 - a. The report shall be provided to the consumers within ten (10) Business Days from the receipt of the request to the primary address held in file at the Credit Reporting System. The consumer can request an immediate report at assigned rate of the Credit Reporting System Service Providers.
 - b. The Consumers shall sufficiently identify themselves prior to gaining access to their Credit Information.
 - c. The Credit Reporting System Service Providers shall provide the Consumer a copy of all their credit information once annually, including the name and list of the Data Providers and any other parties that have accessed their Credit Information.
47. The consumers shall be entitled to request for correction of any incorrect or incomplete Credit Information at any time.
48. When a request for correction of incorrect or incomplete Credit Information is received, the Credit Reporting System Service Providers shall inform relevant Data Provider(s) and send all relevant information to that Data Provider(s) in order to investigate and correct the Credit Information within ten (10) Business Days. The Credit Reporting System Service Providers shall inform the consumer at the primary address held in the file at the Credit Reporting System no later than ten (10) Business Days after receiving the response from the relevant Data Provider of the result of the complaint. A detailed consumer rights procedure shall be made available at all Data Provider's premises and on their respective websites and at the Credit Reporting System Service Providers premises and website.

Dispute Resolution Mechanism

49. Any complaint regarding the accuracy of the Credit Information shall be submitted to the Credit Reporting System Service Providers for investigation.
50. Once a complaint is received, the Credit Reporting System Service Providers shall investigate the dispute and respond within 10 Business Days from the date of receipt, by:
 - a. Investigating the accuracy of the compliant or otherwise;
 - b. Referring the matter to the appropriate Data Provider responsible for the submission of the queried data
 - c. Correcting any incorrect or incomplete Credit Information within ten (10) Business Days after receiving the response from the relevant Data Provider of the result of the complaint
 - d. Responding in writing to the complainant outlining the decision.
51. A Consumer dissatisfied with the decision may appeal to the Reserve Bank within ten (10) Business Days.
52. The Reserve Bank may seek further information or clarification from either the Credit Reporting Service Provider, the Data Provider or the complainant, such information to be provided within ten (10) Business Days.
53. The Reserve Bank will review the appeal and respond to the Consumer within ten (10) Business Days.
54. If the Consumer is not satisfied with the Reserve Bank's decision, further appeal may be made to a Court of competent jurisdiction.

Other services

55. Credit Reporting System Service Providers shall request for guidance from the Reserve Bank prior to introducing any new services or products. The Reserve Bank shall produce a report with their conclusions based on fairness of the product for all creditors and impact on consumers. The Reserve Bank shall provide the report to the Credit Reporting System Service Providers within 30 days from the requested date.

Cross-border credit data

56. The cross border sharing of credit data shall be allowed so long as there are adequate processes and procedures in place to:
 - a. protect the privacy of Consumers;
 - b. address data correction and dispute resolution issues;
 - c. provide for the security of data;
 - d. is for Permissible Purposes; and
 - e. is with the Consent of a Consumer.

Pricing Policies

57. Credit Reporting System Service Providers may charge fees, charges or penalties for its services, based on a transparent policy in accordance with the services provided.

58. The Credit Reporting System Service Providers shall obtain approval from the Reserve Bank for the issuance and any subsequent amendments to the pricing policy prior to the enactment. The Reserve Bank shall consider such application and related documents, and either approve or decline within fifteen (15) Business Days.

Corporate Governance

59. Any Credit Reporting System Service Providers operating in Tonga shall be controlled by Board of Directors which shall be composed of at least five (5) members, one of which shall be an independent director.
60. The members of the Board shall have adequate qualifications on business, banking or finance. No person shall be a member of the Board of Directors of the Credit Reporting System if he or she has been convicted of any of the following:
- a. A crime with a penalty of more than 3 months imprisonment;
 - b. Theft, forgery, fraud or breach of trust;
 - c. Money laundering and/or financing terrorism;
 - d. Issuing dishonoured cheques;
 - e. Personal bankruptcy, receivership or liquidation of assets.
61. A Chief Executive Officer shall be nominated by the Board of Directors. No person shall act as Chief Executive Officer if:
- a. They have been convicted of an offence involving theft or fraud causing financial loss;
 - b. They have been removed from an office on account of abuse of office or corruption in the past ten (10) years;
 - c. They have been convicted of an offence involving dishonesty;
 - d. They are a CEO or is on the Board of Directors of any of Data Provider;
62. Credit Reporting System Service Providers shall establish a dedicated unit to put into practice policies relating to Consumer's rights, Credit Reporting System's operations, compliance and security measures;
63. The Board of Directors shall be responsible for ensuring that the Credit Reporting System is prudently managed and complies with any applicable laws and regulations.
64. No data provider or an employee or any affiliates of a data provider shall serve as a Board member, or appointed as an employee of the Credit Reporting System Service Provider, or directly or indirectly hold any share capital of the Credit Reporting System Service Provider.

Confidentiality

65. The Credit Information is confidential and shall only be used for the Permissible Purposes set forth in 3 above. Confidentiality shall be strictly implemented and Data Providers or Authorized Users shall not sell or otherwise provide such Credit Information to any third party.
66. Only authorized employees of the users, the Bank, and the Credit Reporting System Service Providers can access the information and always for the strict performance of their duties. The Credit Reporting System Service Providers shall take all necessary measures to ensure that Credit Reporting Systems directors and employees regularly maintain the confidentiality of

Credit Information. The Credit Reporting System Service Providers shall take all reasonable measures to prevent unauthorized access to Credit Information, and shall establish and enforce security policies and procedures to govern the access to the Credit Information.

67. The Reserve Bank shall have restricted access at no cost to the Credit Reporting System to obtain Credit Information for its oversight functions of Financial Institutions to monitor the overall financial stability, and to maintain the efficient, transparent, fair and legal operations of the Credit Reporting System.
68. Directors and employees of Credit Reporting System Service Providers, Authorized Users and employees of Data Providers shall sign confidentiality agreements prior to gaining access to Credit Information or the Credit Reporting System.

Compliance with the Credit Bureau Licencing Guidelines

69. This Guideline is effective from 1 August 2017. Non-compliance with the requirements of this Guideline will be subject to:
 - a. administrative penalties as provided under section 61A of the National Reserve Bank of Tonga (Amendment) Act 2014 and outlined in Annex 2;
 - b. de-licencing of the Credit Reporting System Service Provider; and
 - c. any other disciplinary action under any other relevant law.

National Reserve Bank of Tonga
July 2017

Annex 1

NATIONAL RESERVE BANK OF TONGA APPLICATION FORM FOR LICENSING OF A CREDIT INFORMATION SYSTEM IN TONGA (As required by section 59A of the National Bank of Tonga (Amendment) Act 2014)

The applicant must submit the completed application form together with the required application processing fee of \$5,000 pursuant to the Credit Bureau Licensing Guidelines of the National Reserve Bank of Tonga.

PART 1- APPLICANT'S INFORMATION

1.	Name of the applicant company:	
2.	Address of registered office:	
3.	Telephone number:	
4.	Fax number:	
5.	Website address:	
6.	Postal address:	
7.	Tax identification number (TIN): (Enclosed certified copy)	
8.	Date & place of registration: (Enclosed certified copy of certificate of incorporation)	
9.	Business name, if applicable: (Enclosed certified copy of business licence)	
10.	State any experience in credit reporting activities or credit information system, including the number of years in the business, if any	
11.	State the composition of the Board of Directors (and complete Part 2 for each director & attach the selection criterion of the board of directors)	
12.	State the total paid up capital of the company and the names of the shareholders & their percentage of share holdings (and complete Part 3 for each shareholder)	

Attach the following documents:

1. Organisational structure
2. Business plan including three (3) years financial projections for the operations of the Credit Reporting System

PART 2- PARTICULARS OF DIRECTORS – if more than one director, complete one form for each director

1.	Name:	
2.	Address:	
3.	List previous positions held starting with most recent:	
4.	Percentage of shareholding in the company, if any:	
5.	Directorship in other companies, if applicable:	
6.	Has the director been convicted of an offence that concerns the making, or participation in making, of decisions that affect the whole or a substantial part of the business of a company?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.	Has the director been convicted of an offence that concerns an act that has the capacity to affect significantly a company's financial standing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.	Has the director been convicted of an offence that involves fraud, dishonesty or breach of trust and is punishable by imprisonment for a term of at least 3 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9.	Has the director been convicted of an offence against the law of any other country that is punishable by imprisonment for a term exceeding 12 months in Tonga if the offence was committed in Tonga?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.	Has the director been declared to be of unsound mind by any court of law in Tonga or any other country?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Attach the following documents:

1. Curriculum vitae of the directors
2. Police records of the directors

3. Statement that directors are fit and proper, have adequate qualifications and relevant skills and experience

PART 3- PARTICULARS OF SHAREHOLDERS – if more than one shareholder, complete one form for each shareholder

1.	Name of shareholder:	
2.	Address:	
3.	Percentage of shareholding in the company:	
4.	Amounts invested in the company	
5.	Any investments in any other local companies	
6.	Has the shareholder been convicted of an offence that concerns the making, or participation in making, of decisions that affect the whole or a substantial part of the business of a company?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
7.	Has the shareholder been convicted of an offence that involves fraud, dishonesty or breach of trust and is punishable by imprisonment for a term of at least 3 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
8.	Has the shareholder been convicted of an offence against the law of any other country that is punishable by imprisonment for a term exceeding 12 months in Tonga if the offence was committed in Tonga?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
9.	Has the shareholder been declared to be of unsound mind by any court of law in Tonga or any other country?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
10.	Has the shareholder been convicted of an offence that concerns an act that has the capacity to affect significantly a company's financial standing?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
11.	Has the shareholder been declared to	

	be of unsound mind by any court of law in Tonga or any other country?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
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PART 4- COMPLIANCE WITH REGULATIONS

1.	Does the applicant or a director or shareholder of the applicant have any interest, whether beneficial or non-beneficial, direct or indirect, in any lending institution, credit information provider or credit report recipient? (If yes, please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No <hr/> <hr/> <hr/> <hr/> <hr/>
2.	Does the applicant or a director or shareholder of the applicant have an affiliate with any interest, whether beneficial or non-beneficial, direct or indirect, in any lending institution, credit information provider or credit report recipient? (If yes, please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No <hr/> <hr/> <hr/> <hr/> <hr/>

PART 5- QUESTIONS, CONCERNS AND COMPLAINTS

1.	Do you have a policy in place to handle questions, concerns and complaints? (If yes, please enclose a copy)	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	If the answer to the above is "No", how will you resolve questions, concerns and complaints both external and internal in a timely manner?	

PART 6- HUMAN, FINANCIAL AND OPERATIONAL RESOURCES

1.	Human resources:	
1.1	Indicate the number of staff employed	
2	Financial resources:	
2.1	Provide a copy of the applicant's audited financial statements for the previous 3 years.	

3	Operational resources:	
3.1	Do you have adequate access to communication facilities including telephone, email, fax and copying facilities (If yes, please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.2	Do you have adequate storage and filing systems for the safe-keeping of all records? (If yes, please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.3	Do you have procedures in place and sufficient resources to accept the filing of credit information? (If yes, please enclose a copy)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.4	Do you have procedures in place and sufficient resources to take reasonable steps to verify the accuracy of any credit information reported to you? (If yes please enclose a copy)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.5	Do you have procedures in place and sufficient resources to retain credit information reported to you? (If yes please enclose a copy)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.6	Do you have procedures in place and sufficient resources to issue a report to any person who requests it pursuant to the requirements of the NRBT's Credit Reporting System Guidelines? (If yes, please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.7	Enclose a business plan to operate a credit reporting agency? ((3) years financial projections for the operations of the Credit Reporting System)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.8	If the answer to any of the above is "No", please provide a credible plan to acquire or develop these resources or procedures.	
3.9	Enclose information on the IT systems and an operational manual containing internal processes and procedures.	
3.10	Enclose the company's Business Continuity Plan.	
3.11	Enclose the company's Disaster Recovery Plan	
3.12	Enclose the company's Proposed pricing policies	

3.13	Name nominated/current external and internal auditors	
3.14	Enclose the company's Code of Conduct and other relevant rules for the functioning of the system	

The Reserve Bank may require further relevant information or documents deemed necessary for assessing the application.

PART 7- DECLARATION

The following declarations are to be signed by two directors or one director if there is only one director:

I/We hereby apply for a licence to operate as credit information system in Tonga.

I/We hereby undertake to comply with the provisions of the Credit Bureau Licencing Guideline issued by the National Reserve Bank pursuant to section 59A of the National Reserve Bank of Tonga (Amendment) Act 2014 and the directives and instructions issued by the National Reserve Bank of Tonga.

I/We hereby declare that all the information given in this application (including the appendices), to the best of my/our knowledge and belief is true and complete. I/We understand that if it is subsequently discovered that any statement contained herewith is false or misleading, or that relevant information has been withheld, my/our licence application may be disqualified or, if the Licence has been granted, it may be revoked.

I/We understand that I/we will submit to the National Reserve Bank of Tonga any additional information as may be required by the Bank from time to time.

For and on behalf of

.....
Name of the applicant company

.....
Director

.....
Director

Name in Block Letters:.....

Name in Block Letters:.....

Date:.....

Date:.....

Annex 2

NOTE ON ADMINISTRATIVE PENALTIES FOR NON-COMPLIANCE WITH THIS LICENCING GUIDELINE

The penalty imposed will be for each day during which the infraction/breach of the requirements of this Licensing Guideline continues and will be applicable to all parties interacting with the Credit Reporting System, including but not limited to Credit Reporting System Service Providers, Data Providers, Authorized Users and Consumers.

Number of business days of infraction / breach of the Prudential Statement	Daily amount (for infraction / breach of the Prudential Statement)
Over 28	\$800
22-28	\$400
15-21	\$300
8-14	\$250
1-7	\$200

For example:

A breach of any of the requirements for 10 business days – administrative penalty of \$2,150 will be charged, which is \$1,400 ($\$200 * 7$ days) plus \$750 ($\$250 * 3$ days).

Any exception to the above charges is subject to the Governor's approval/discretion.