



BNM-WBG Credit Infrastructure Program

April 4 - 8, 2016

Kuala Lumpur, Malaysia



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



WORLD BANK GROUP
Finance & Markets

BACKGROUND

Access to credit for individuals and businesses is severely constrained in much of the developing world. Weak legal and regulatory environments for lending and enforcement, combined with the lack of predictability for lenders, inability to leverage productive assets, and the absence of credit information, create a lending environment that is unfriendly to micro, small, and medium enterprises (MSMEs) and individuals.



Credit infrastructure is the set of laws and institutions that enables efficient and effective access to finance, stability, and socially responsible economic growth. Credit reporting, secured transactions and insolvency, and creditor/debtor rights systems are the main elements of credit infrastructure. Non-existent or poor credit infrastructure poses considerable risks and constrains financial institutions' ability to expand their financial products and services.

The availability of credit information sharing, secured lending, and rules that govern distressed businesses and bankruptcy significantly increases their willingness to support underserved and unserved individuals and MSMEs.

Besides boosting access to finance, credit infrastructure plays a crucial role in mitigating investor and creditor risk, reducing the instability that could be caused by high levels of non-performing loans. This, in turn, lowers the cost of credit. The possibility of using reputational, traditional, and non-traditional collateral helps individuals and MSMEs gain access to finance as well as more favorable and competitive financing options.

PROGRAM OVERVIEW

This 5-day Credit Infrastructure Program will be composed of themes covering the three main elements of credit infrastructure:

- Credit reporting;
- Secured transactions and collateral registry; and
- Insolvency and debt resolution.

The training will be delivered by leading international experts through a combination of presentations, panel discussions, group exercises, and case studies.

The objectives of this one-of-a-kind knowledge sharing gathering are to provide policymakers and practitioners with the opportunity to:

- Gain intermediate and advanced information on the three elements of credit infrastructure;
- Be updated on best practices and international standards; and
- Network and strengthen professional ties as well as explore potential cross-country/region collaboration.

This program is by invitation only and targets policymakers and practitioners from public and private entities around the world.

LANGUAGE: The training will be conducted in English and due to the diverse makeup of the audience, representing numerous countries, regions, and languages, no simultaneous translation will be offered. Therefore, applicants must be sufficiently fluent in English.

FEES: No fees are charged for the training. Lunch and refreshments will be provided during the official program. However, successful applicants must pay for and make their own travel and accommodation arrangements, including medical/travel insurance, and are responsible for obtaining a visa.

VENUE: Multi Purpose Hall, Lanai Kijang, 2 Jalan Berjasa, 50480 Kuala Lumpur

AGENDA

Day one – April 4, 2016

- 8:45 **Registration**
- 10:00 **Welcome remarks**
- 10:15 **Group photo**
- 10:30 **Coffee break and Networking**
- 11:00 **Pre-session: Overview of Credit Infrastructure Program.** Walkthrough of the key themes and sessions covered during the programme, including a brief overview of credit infrastructure products. Insights on the rules, roles, running and logistics of the week's programme.
- I-CREDIT REPORTING SYSTEMS**
- 11:45 **Session 1: Overview of Credit Reporting and Global Practices.** This session will provide a concise 360 degree overview of global best practice with a focus on key credit reporting topics, including stakeholders, governance, correlation to financial inclusion, and challenges, that are essential to designing a sound Country Credit Reporting Strategy. Q&A session.
- 12:45 **Lunch**
- 14:00 **Session 2: The Role and Impact of Developing and-or Strengthening Credit Reporting Systems.** This session will provide insights based on real business cases related to the expected versus impact development and impact on the financial sector after the implementation of successful credit reporting systems. It will explain and illustrate the changes that occur to the economy, financial institutions, and access to credit. Furthermore, it will illustrate that the benefits will not be shared evenly and how the vision of each financial institution will influence its own outcome. Q&A session.
- 15:00 **Coffee break and Networking**
- 15:30 **Session 3: Credit Reporting for MSMEs.** This session will cover key aspects of successful implementation of credit reporting and analytics for MSMEs, while exploring the value of new technology and data to improve the identification of creditworthy and profitable MSMEs. Case study & discussion.
- 17:00 **Wrap-up and evaluation for the day**

Day two – April 5, 2016

- 9:00 **Recap and daily overview**
- 9:15 **Session 4: Future of Credit Reporting in the 21st Century.** This round-table session will focus on the latest developments in Europe and discuss key challenges and opportunities, as well as the implications for credit reporting systems created by new regulations on data privacy, cross-border data collection by regulators, and new non-traditional data sources and players. Participants will be encouraged to identify potential impacts for emerging markets. Q&A session.
- 10:45 **Coffee break and Networking**
- 11:15 **Session 5: Innovative Credit Reporting Systems.** Usage of “Big Data” and innovative predictive models and other value added services, including credit scoring, has changed the landscape for traditional credit reporting systems by presenting both opportunities and challenges. This session will provide insights and an engaging discussion on what one ought to know and how to best utilize and cope with these new trends and changes. Q&A session.
- 12:45 **Lunch**
- II-INSOLVENCY AND DEBT RESOLUTION**
- 14:30 **Session 6: The Intersection of Insolvency and Secured Transaction Regimes.** This session will examine the intersection of insolvency and secured transaction regimes, and how holistic reform of the two can positively impact a country’s overall credit infrastructure. The session will examine recent developments in both insolvency and secured transactions that affect lenders, firms, and overall access to finance and highlight some of the issues that need to be considered when reforming the regulatory and legal frameworks. Q&A session.
- 16:00 **Wrap-up and evaluation for the day**

Day three – April 6, 2016

- 9:00 **Recap and daily overview**
- 9:15 **Session 7: Financial Sector Stability and Corporate Insolvency.** This session will examine how corporate distress can impact the financial sector. It will explore the relationship between informal and formal insolvency procedures, and will provide comparative examples of debt recovery frameworks. In particular, it will cover informal loan workouts by multiple creditors. Q&A session.
- 10:45 **Coffee break and Networking**
- 11:15 **Session 8: Workshop on Multiple Creditor Debt Workouts (Part I).** This will be a simulated debt workout using a case study that will be circulated to participants prior to the event. Background information, including a summary of the facts and the mechanics of the workout, will be provided, followed by the simulation. “Let the Games Begin”.
- 13:00 **Lunch**
- 14:30 **Session 9: Workshop on Multiple Creditor Debt Workouts (Part II).** This will be a continuation of the previous session, using the simulated debt workout case study. There will be an overall discussion between the stakeholder groups regarding some of the facilitator’s observations.
- 16:00 **Wrap-up and evaluation for the day**

Day four – April 7, 2016

III-SECURED TRANSACTIONS AND COLLATERAL REGISTRIES

- 9:00 **Recap and daily overview**
- 9:15 **Session 10: Secured Transactions and Collateral Registries: Global Practices and Overview of Recent Experiences.** The session will include an overview of STCR topics, relevance and importance, recent experiences, examples from regions, success stories, a quiz and a Q&A session.
- 10:15 **Coffee break and Networking**
- 10:45 **Session 11: Importance and Relevance of a Robust Legislative and Regulatory Framework for Secured Transactions (Part I & Part II).** This session, which will focus on explaining key pillars of modern legislative frameworks, will explain the main and latest sources of best practice (e.g. UNCITRAL ST Model Law), and will highlight the challenges of embedding best practice principles in national legislation. The session also will explain the extent to which a modern secured transactions framework is compatible with Islamic Sharia and will highlight the importance of central banks' prudential regulations to support movable asset-based lending.
- 12:45 **Lunch**
- 14:00 **Session 11: Case study and discussion**
- 15:00 **Coffee break and Networking**
- 15:30 **Session 12: Modern Collateral Registries: Effective Tools to Protect Creditors' Rights.** The session will explain the advantages of modern electronic collateral registries, will present the findings of the recent global collateral registry survey, will explain the intersection of secured transaction registries and other registries (intellectual property registries, company registries, and leasing/factoring registries), and will explore the pros and cons of having a public credit registry/private credit bureau take over the operation of the collateral registry. The session will include case studies, a quiz and a Q&A session.
- 17:00 **Wrap-up and evaluation for the day**



Day five – April 8, 2016

IV-MOVABLE ASSET-BASED LENDING

- 9:00 **Recap and daily overview**
- 9:15 **Session 13: Tapping the Potential of Movable Collateral.** This session will explain various movable asset-based lending products (such as accounts receivable, inventory lending, and supply chain finance), will demonstrate the relevance and importance of these products to expand SME finance, and will highlight what changes financial institutions need to undergo to be able to offer these products. The session will also explore the need for and importance of raising awareness among other public and private stakeholders to ensure successful implementation. Q&A session will follow.
- 10:15 **Practical exercise & discussion**
- 10:45 **Coffee break and Networking**
- 11:15 **Session 14: Impact of Secured Transactions on MSMEs' Access to Finance: Stories From the Field.** The session will be in the form of a panel and will serve as a forum for clients and MSMEs to share their experiences and success stories of using modern secured transaction mechanisms. Q&A session will follow.
- 12:45 **Evaluation and Concluding remarks**
- 13:00 **Lunch**

Note: The organisers reserve the right to make any necessary amendments/changes to the programme without prior notification.