



Regional seminar of the International Financial Corporation and Bank Al-Maghrib  
on

**“Utilization of Public Credit Registry data for the Central Bank’s  
institutional functions”**

Rabat, February 22, 2018

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**Opening remarks by Mr. Abdellatif Jouahri**

**Governor of Bank Al-Maghrib**  
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**Excellency the Ambassador of Japan,**

**IFC Country Manager for the Maghreb region,**

**Ladies and gentlemen,**

It gives me great pleasure to welcome you today to the Bank Al-Maghrib training center in Rabat for this seminar on the “Utilization of Public Credit Registry data for the Central Bank’s institutional functions”.

I would first like to express my sincere thanks to all the participants and speakers for having accepted our invitation, and more particularly to the IFC representatives, Mr. Xavier REILLE and Mr. Oscar MADEDU, and their team here for their valuable contribution to preparing this meeting.

I would also like to give special thanks to His Excellency Ambassador Takuji HANATANI and through him the Japanese Government, which has made a vital contribution to developing credit information-sharing infrastructure in Morocco.

The relevance of this meeting lies in the sharing of experiences between the participating experts. The seminar panels, scheduled throughout the day, will set the stage for fruitful discussions between:

- central banks which are well advanced in terms of operating credit registries or which are starting to set them up, on the one hand;
- and those which are preparing to meet the new challenges such registries impose in terms of micro and macro-prudential supervision and monetary policy, on the other hand.

### **Ladies and gentlemen,**

The significant importance of “credit reporting” is widely recognized today, particularly in assessing borrowers’ credit risk, reducing loan defaults and expanding access to bank financing. Experience has shown that countries with credit bureaus have been able to address the problem of “asymmetric information” and substantially improve the quality of credit institutions’ portfolio.

However, the recent crisis has highlighted the limited knowledge of counterparties’ real health and revealed the pressing need for more granular, interconnected and flexible statistics.

For central banks and supervisors, this need is creating a new paradigm for monitoring and evaluating financial stability, based on an integrated infrastructure of credit information sharing.

This infrastructure is based on two core pillars:

- the first is a “credit bureau” system that helps credit institutions to assess risks; and
- the second is a “central credit registry” managed by central banks for their institutional functions.

### **Ladies and gentlemen,**

Let me give you a brief overview of the steps that Bank Al-Maghrib has undertaken over the last ten years to develop its financial information system and enhance its convergence towards international standards.

In close cooperation with the IFC, the Bank put into operation in 2009, under the first pillar, the 1<sup>st</sup> Credit Bureau. This was a decisive step towards the establishment of a modern and state-of-the-art credit reporting infrastructure. Indeed, the credit bureau has become an essential tool for lending decisions for individuals, businesses and micro-credit associations.

Opening up the market to competition and authorizing a second credit bureau in 2016 was a further step towards improving the quality of services provided to credit institutions and consumers. The range of products offered has expanded to include new decision-aiding tools, such as “behavior scoring”, “portfolio monitoring” and “alerting”.

In close coordination with the Ministry of Economy and Finance, Bank Al-Maghrib is currently working to rapidly develop the legal and regulatory framework of “credit bureaus” in order to expand its scope to other nonfinancial data providers, including telecom operators and water/electricity suppliers. This will help the unbanked population to have access to financing, as demonstrated by the experience of pioneering countries in this area.

As regards the implementation of the second pillar, the Bank has undertaken since 2016, in collaboration with the IFC, an appraisal of the existing system and has identified the characteristics of the future credit registry.

In this connection, today's seminar is a real opportunity for us to learn about the experiences of forerunners in this field, with a view to finalizing our own roadmap.

**Ladies and gentlemen,**

Six regulators, well known for their optimal use of credit registries, will present to us today how they use credit reporting data to achieve their core missions, particularly micro and macro prudential regulation, systemic risk control and monetary policy, and strengthen off-site supervision.

These topics are of particular importance in the current context in which our economies are undergoing significant changes in the credit market as well as in the behavior of consumers and borrowers. Therefore, it is essential to upgrade financial infrastructures, which constitute a central element in the credit risk management system, in order to accompany these changes and help us to meet the challenges we face.

Before concluding, I would like to emphasize the invaluable opportunities that the new information technologies can offer us in terms of data sharing, collection and storage. But they also involve major challenges, particularly in terms of cyber security and personal data protection.

I wish you a successful and fruitful meeting, and hope that you can combine business with pleasure and allow yourself some time to discover the millennial richness of Rabat, this imperial city which was listed by UNESCO as a World Heritage Site on June 29, 2012.

Thank you for your attention.