

(23)

[AS PASSED BY THE SENATE]

A

**BILL**

*further to amend the Credit Bureaus Act, 2015*

WHEREAS it is expedient further to amend the Credit Bureaus Act, 2015 (XI of 2015), for the purposes hereinafter appearing;

It is hereby enacted as follows: -

**1. Short title and commencement.-** (1) This Act may be called the Credit Bureaus (Amendment) Act, 2016.

(2) It shall come into force at once.

**2. Amendment of section 15, Act XI of 2015.-** In the Credit Bureaus Act, 2015 (XI of 2015), hereinafter referred to as the said Act, in section 15, sub-section (4), shall be omitted.

**3. Amendment of Schedule, Act XI of 2015.-** In the said Act, in the Schedule, in paragraph 6, in sub-paragraph (1), after the word "credit" occurring for the second time, the word "information" shall be inserted.

**STATEMENT OF OBJECTS AND REASONS**

The purpose of amendments in the Credit Bureaus Act, 2015, is to ensure that the existing legislation is in conformity with the provisions of BCO, 1962, and international best practices. The amendments in the Act are proposed for the following reasons:

- a) The existing requirement of credit information report issued by a credit bureau to be verified by the State Bank of Pakistan, has been omitted, as the credit information report shall in most of the cases be accessed electronically by financial institutions that have data sharing arrangements with the credit bureau. Technically it would not be possible for SBP to verify reports being accessed by institutions across the country. In addition to this, SBP collects data under Section (25A) of Banking Companies Ordinance (BCO), 1962 for Electronic Credit Information Bureaus (ECIB) database which is confidential. If this data is used for verification of the credit reports, there would be indirect disclosure of confidential data, which is unlawful under the aforesaid Section of BCO, 1962. The member financial institutions, who report/upload data on ECIB, are responsible for accuracy of the data. Same practice would be followed in case of private credit bureaus, who would be subject to internal, external and SBP Audit/Inspection, to ensure compliance of rules and regulations. This is also consistent with the international best practices.
  - b) In SCHEDULE, "SUMMARY OF RIGHTS" of Credit Bureaus Act, 2015, at para 6, sub-para (1), word "information" has been inserted after the word "credit", in second place, in order to convey correct meaning.
2. The Bill seeks to achieve the aforesaid objects.

**Senator Mohammad Ishaq Dar**  
Minister for Finance, Revenue,  
Economic Affairs, Statistics and Privatization