

# PRINCIPLES OF RECIPROCITY AND DATA EXCHANGE (PRDE)

Final Draft – Version 16

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## INTRODUCTION

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The PRDE is a set of agreed principles that credit reporting bodies (**CRBs**) and credit providers (**CPs**) agree to abide by to ensure those **CRBs** and **CPs** have trust and confidence in their credit reporting exchange. The PRDE is not intended to be relied upon by non-signatories, or other stakeholders, in any way or in any forum.

The intention of the PRDE is to create a clear standard for the management, treatment and acceptance of credit related information amongst **signatories**. The PRDE only applies to consumer **credit information** and **credit reporting information**.

Adherence to the **ACRDS** is a fundamental part of the PRDE for **signatories**, as is adherence to the principles of reciprocity as set out in this PRDE.

The PRDE also facilitates the creation of three **Tier Levels** in the PRDE credit reporting exchange, and allows **CPs** to voluntarily select their own **Tier Level** of participation.

The PRDE applies to **CRBs** and **CPs** that choose to become **signatories** to this PRDE.

It comes into effect on the **Commencement Date**.

A **CRB** or **CP** is bound to comply with the PRDE upon becoming a **Signatory**.

Nothing in the PRDE obliges a **CRB** or **CP** to do or refrain from doing anything, where that would breach Australian law.

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## DEFINITIONS

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“**Access request**” means a request from a **CP** to a **CRB** for the **supply of credit reporting information**.

“**ACRDS**” means the Australian Credit Reporting Data Standards which are the technical standards and specifications used for exchanging **credit information** and **credit reporting information**.

“**Commencement Date**” means [*insert date to be determined following ACCC authorisation*]

“**Consumer credit liability information**” has the same meaning as defined by the **Privacy Act**.

A **CP** “**contributes**” **credit information** when it discloses that information to a **CRB** in circumstances permitted by the **Privacy Act**.

“**CP**” has the same meaning as defined by the **Privacy Act**. Any reference to a **CP** in this PRDE is a reference to a **signatory CP** unless otherwise expressly stated, and also includes reference to any **Designated Entities** of the **CP**.

“**CP derived information**” has the same meaning as defined in the **Privacy Act**.

“**Credit information**” has the same meaning as defined by the **Privacy Act**.

“**Credit eligibility information**” has the same meaning as defined by the **Privacy Act**.

“**Credit reporting information**” has the same meaning as defined by the **Privacy Act**.

A **CP “on-supplies” partial information or comprehensive information** (excluding that component of **partial information** and **comprehensive information** which is **negative information**) when it discloses that information to another **CP**, a **Designated Entity** or **Securitisation Entity**.

“**CRB**” has the same meaning as defined by the **Privacy Act**. Any reference to a **CRB** in this PRDE is a reference to a **signatory CRB** unless otherwise expressly stated.

“**CRB derived information**” has the same meaning as defined in the **Privacy Act**.

A “**Designated Entity**” is a business or collection of businesses of a **CP** as determined by the **CP** for the purposes of the PRDE. The criteria for **Designated Entities** and related operational matters is set out in further detail in paragraphs 22 to 28 of this PRDE.

“**Deed Poll**” means the pro-forma PRDE deed poll which is a schedule to a **Services Agreement** and is effective, in relation to a **CP** or **CRB**, at the **Effective Date**.

“**Effective Date**” means the date nominated by the **CP** or **CRB** as the date that the **CP** or **CRB**’s obligations (as applicable) under the PRDE become effective. The **Effective Date** may be the **Signing Date**, in which case the two dates will be the same.

“**Eminent Person**” means an independent person who fits the criteria of **Eminent Person**, in accordance with the **Eminent Person** Terms of Reference, and who has consented to inclusion on the panel of Eminent Persons.

“**Industry Determination Group**” means a group formed by representatives of signatories, in accordance with the **Industry Determination Group** Terms of Reference.

“**Mortgage Insurer**” has the same meaning as defined in the **Privacy Act**.

“**Mortgage Insurance Purpose**” has the same meaning as defined in the **Privacy Act**.

“**Non-compliant conduct**” means conduct which breaches this PRDE.

“**Participation Level Threshold**” has the meaning given to it by paragraph 30 of this PRDE.

“**PRDE Administrator Entity**” means the Reciprocity and Data Exchange Administrator Pty Ltd (ACN *to be confirmed*), a subsidiary of the Australian Retail Credit Association Ltd (ACN 136 340 791).

“**Privacy Act**” means the *Privacy Act 1988* as amended from time to time (including by the *Privacy Amendment (Enhancing Privacy Protection) Act 2012*) and includes Regulations made under that Act, and the *Privacy (Credit Reporting) Code 2014* (CR Code) registered pursuant to that Act.

“**Rectification Plan**” has the same meaning as defined by the **SRR**.

“**Repayment History Information**” has the same meaning as defined in the **Privacy Act**.

A **CRB “supplies” credit reporting information** when it discloses that information to a **CP** in circumstances permitted by the **Privacy Act** and in response to an **access request**.

**“Securitisation entity”** means an entity which is not a **Mortgage Insurer** or a **Trade Insurer**, but which is engaged to assist a **CP** for a **securitisation related purpose**.

**“Securitisation related purpose”** has the same meaning as defined in the **Privacy Act**.

A **“services agreement”** is an agreement which is intended (whether expressly stated or otherwise) to enable a **CRB** to assist a **CP** to assess and manage its consumer credit risk (as determined by the **CP**). The agreement will include, in addition to other provisions, an agreement between a **CRB** and **CP** for the contribution of **credit information** and/or supply of **credit reporting information** (as applicable). For the avoidance of doubt, a **services agreement** does not include an agreement which has been suspended or is an agreement for the contribution of personal information (which may include **credit information**) solely for identity verification purposes pursuant to the relevant provisions of the *Anti-Money Laundering and Counter-Terrorism Finance Act 2006* (as amended from time to time).

**“Signatory”** in relation to a **CP** or **CRB**, means a **CP** or **CRB** that has chosen to be a **signatory** to this PRDE by signing the **Deed Poll** and has not withdrawn from its participation in this PRDE in accordance with the **Deed Poll**.

**“Signing Date”** means the date that a **CP** or **CRB** executes the **Deed Poll**.

**“SRR”** means the Standard Reporting Requirements which are the standards used for reporting compliance with this PRDE.

Three **“Tier Levels”** have been established for the **supply** by a **CRB** to a **CP** of **credit reporting information**:

- a) **“negative information** means:
  - (i) **credit information** about an individual other than **consumer credit liability information** or **repayment history information**; and
  - (ii) **CP derived information** and **CRB derived information** which is not derived wholly or partly from **consumer credit liability information** or **repayment history information**.
- b) **“partial information”** means:
  - (i) **credit information** about an individual other than **repayment history information**; and
  - (ii) **CP derived information** and **CRB derived information** which is not derived wholly or partly from **repayment history information**.
- c) **“comprehensive information”** means all **credit information**, **CP derived information** and **CRB derived information** about an individual.

**“Trade Insurer”** has the same meaning as defined in the **Privacy Act**.

**“Trade Insurance Purpose”** has the same meaning as defined in the **Privacy Act**.

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## **PRINCIPLE 1**

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***Principle 1: The obligations under this PRDE shall be binding and enforceable upon PRDE signatories. PRDE signatories agree to execute the Deed Poll to make this***

***PRDE and the authority of the PRDE Administrator Entity (and through it, the Industry Determination Group and Eminent Person) effective and binding.***

Effect of the PRDE

1. The PRDE are a set of agreed principles that are governed by the **PRDE Administrator Entity**. The principles within the PRDE are given effect by each **signatory** executing the **Deed Poll** on the **Signing Date** and covenanting to comply with the requirements of the PRDE and therefore to be bound by the obligations contained within this PRDE. Upon a CP or CRB executing the **Deed Poll** and nominating an **Effective Date**, the CP or CRB are deemed to be **Signatories** from that **Signing Date** and are bound from the **Effective Date** to comply with any request made by the **PRDE Administrator Entity** pursuant to this PRDE, any recommendation issued by the **Industry Determination Group** (which is accepted by the parties) pursuant to this PRDE and any decision issued by the **Eminent Person** pursuant to this PRDE.

Promises by **CRBs**

2. Our **services agreement** with a **CP** will oblige both us and the **CP** to execute and give effect to the **Deed Poll**.
3. We will allow a **CP** to choose its supply **Tier Level** consistent with the requirements of this PRDE.
4. We will only **supply credit reporting information** to a **CP** to the extent permitted under this PRDE and if we have a reasonable basis for believing that the **CP** is complying with its obligations under this PRDE to **contribute credit information** (subject to the exceptions contained in paragraphs 29 to 33 or transitional provisions contained in paragraphs 53 to 64 that apply to that **CP**).
5. On request, we will inform a **CP**, with which we have a **services agreement**, and the **PRDE Administrator Entity**, of the **Tier Level** of a **CP** that **contributes** credit information to us.
6. Our **services agreement** with a **CP** will not prevent the **CP** from **contributing** credit information to another **CRB**.
7. We will pay such costs identified by the **PRDE Administrator Entity** as required to administer this **PRDE**, in the manner required by the **PRDE Administrator Entity**.

Promises by **CPs**

8. We will only obtain the **supply of credit reporting information** from a **CRB** that is a **signatory** to this PRDE. Our **services agreement** will oblige both us and the **CRB** to execute and give effect to the **Deed Poll**.
9. We will nominate a single **Tier Level** at which we will obtain **supply of credit information** (whether from one or more **CRBs**). We will disclose our chosen **Tier Level** to the **PRDE Administrator Entity** so that it can make this information available to **CRBs** and **CPs**.
10. We will **contribute credit information** to the extent required by this PRDE to a **CRB** from which we obtain the **supply of credit reporting information**. Our **contribution of credit information** will comply with **ACRDS** including its timeframe requirements and will be at the chosen **Tier Level** for **supply**.
11. If we are supplied by a **CRB** with **partial information** or **comprehensive information**, we will not **on-supply** to another CP (whether a **signatory** or non-

signatory) any **partial information** or **comprehensive information** that the other CP (whether a **signatory** or non-signatory) is not able to obtain directly from the **CRB**, because the other CP either:

- a) is not a **signatory**; or
  - b) does not **contribute** any credit information to the **CRB**; or
  - c) has chosen to be **supplied** with credit reporting information at a lower **Tier Level** than that we have chosen.
12. The provisions in paragraph 11 above do not, however, apply:
- a) where the **on-supply** is for the purposes of another CP (whether a **signatory** or non-signatory) assessing whether to acquire our consumer credit accounts; or
  - b) where the **on-supply** is to a **Securitisation Entity** in accordance with paragraphs 41, 42 and 44 below; or
  - c) where the **on-supply** is to a third party in accordance with paragraph 46 below.
13. We will pay such costs identified by the **PRDE Administrator Entity** as required to administer this **PRDE**, in the manner required by the **PRDE Administrator Entity**.

#### **Tier Levels**

14. A **CP** and its **Designated Entity** (if applicable) is able to choose its **Tier Level** for obtaining **supply of credit reporting information** from **CRBs** (although the **CP's** and its **Designated Entity's** choice may be restricted by the **Privacy Act** requirement that **repayment history information** may only be supplied to a **CP** that is an Australian credit licensee).
15. The **CP's** and its **Designated Entity's** (if applicable) choice of **Tier Level** means that it must **contribute** credit information at that chosen **Tier Level** to all **CRBs** that it has a **service agreement** with (see paragraph 30 for the **contribution** requirements for each **Tier Level**) to the extent the **CRB** is able to receive **supply of credit information**. This does not, however, mean that the **CP** and its **Designated Entity**, when making an **access request** to one **CRB**, must also make the same **access request** to all other **CRBs** with which it has a **service agreement**.
16. The **CP** and its **Designated Entity** (if applicable) must **contribute** credit information to all those **CRBs** with which it has a **service agreement** consistently across all of their consumer credit accounts for all its credit portfolios subject only to:
- a) the materiality and other exceptions set out in paragraphs 29 to 33; and
  - b) the transitional provisions in Principle 4; and
  - c) any recommendation by the **Industry Determination Group** or decision by the **Eminent Person**

#### **Contribution of Negative information**

17. A **CRB** may **supply negative information** to any person or organisation as **permitted** by the **Privacy Act**. It is not necessary for that person or organisation to be a **signatory** to this PRDE to receive **supply of negative information**.
18. All **negative information** contributed by a **CP** can be supplied to a person or organisation as permitted by the **Privacy Act**.
19. Where a **CP** has chosen to **contribute negative information** under this **PRDE** (for any of the three **Tier Levels**), the **CP** must **contribute** the following types of **credit information**:
  - a) identification information (paragraph (a) of the definition of **credit information** in the **Privacy Act**);
  - b) default information (paragraph (f) of the definition of **credit information** in the **Privacy Act**);
  - c) payment information (paragraph (g) of the definition of **credit information** in the **Privacy Act**); and
  - d) new arrangement information (paragraph (h) of the definition of **credit information** in the **Privacy Act**).
20. When contributing default information in accordance with subparagraph 19(b) above, where an individual has defaulted on their obligations, a **CP** must ensure default information is contributed within a reasonable timeframe of the account becoming overdue.
21. Where a **CP** chooses to contribute to a **CRB credit information** including its name and the day on which consumer credit is entered into, in relation to consumer credit provided to an individual, this **contribution of credit information**, for the purposes of this PRDE, will be deemed a contribution of **negative information** provided:
  - a) the **CRB's** subsequent supply of **credit reporting information** at the **CP's** nominated **Tier Level** is a permitted CRB disclosure (in accordance with item 5 of subsection 20F(1) of the **Privacy Act**); and
  - b) the **CP's** use of the **credit eligibility information** is a permitted CP use (in accordance with item 5 of section 21H of the **Privacy Act**).

### **Designated entities**

22. A **CP** may elect to specify one or more **Designated Entities** where permitted to by paragraphs 23 to 28.
23. Each **Designated Entity** must then choose a **supply Tier Level** and **contribute credit information** consistent with that choice. A **CP's Designated Entities** are not all required to choose the same **Tier Level**.
24. If a **CP** specifies **Designated Entities**, the **CP** must notify the **PRDE Administrator Entity** of its **Designated Entities** so that the **PRDE Administrator Entity** can make this information available to **signatories**. The **CP** must also provide a copy of the notification to each **CRB** with which it has a **service agreement**.

### **Designated entity requirements**

25. A **CP** may specify as a **Designated Entity**:
  - a) another **CP** that is a related body corporate of the designating **CP**; or

- b) a division or group of divisions of the **CP** that operate one or more distinct lines of business;

provided that (and for so long as) the specified entity meets the requirements of paragraph 26.

26. A **Designated Entity** must satisfy the following criteria:

- a) It operates under its own brand or brands; and
- b) It must have in place documented controls to prevent **on-supply** of **partial information** or **comprehensive information** to other CPs (whether **signatory CPs** or non-signatory CPs) or **Designated Entities**, where **on-supply** is not permitted by this PRDE.

27. If a **CP** chooses to nominate a **Designated Entity**, whether as a result of acquisition, or the result of internal creation of the **Designated Entity**, the **CP** must notify the **PRDE Administrator Entity** of its proposed **Designated Entity** and identify how it satisfies the **Designated Entity** criteria.

28. If a **Designated Entity** ceases to meet this criteria, the **CP** must:

- a) Notify the **PRDE Administrator Entity** and advise any change in the **supply Tier Level** for the **CP**;
- b) Where this means that the former **Designated Entity** will now be **supplying** at a different **Tier Level**, advise each **CRB** with which it has a **Service Agreement** of its new **supply Tier Level**.

#### Materiality exception

29. A **CP** is required to endeavour to **contribute** all eligible **credit information** for its chosen **Tier Level**. A **CP** will comply with its obligations if it meets the **Participation Level Threshold**, subject to the run-off exception in paragraphs 31 and 32 and account exceptions in paragraph 33.

30. The **Participation Level Threshold** is met if:

- a) the consumer credit accounts for which **credit information** is not **contributed** (“excluded accounts”) do not represent a subset of consumer credit accounts that are unique in terms of their credit performance or behaviour (for example, excluded accounts cannot be all of the delinquent accounts); and
- b) the **CP** has acted in good faith to provide all available **credit information**.

#### Run-off exception

31. A **CP** is not required to **contribute credit information** about consumer credit accounts where:

- a) the accounts relate to a product that is in run-off and accordingly no new accounts of this type are being opened; and
- b) the number of accounts is not more than 10,000; and
- c) the total number of accounts does not constitute more than 3% of the total consumer credit accounts of the **CP**.

32. In calculating the total consumer credit accounts of the **CP** in paragraph 31(b), a **CP** and its **Designated Entity** or **Entities** (as applicable) will be treated as separate **CP**

entities and may apply the calculation of number of accounts based upon the total consumer credit accounts separately held by each of the **CP** and its **Designated Entity or Entities** (as applicable).

Account exceptions

33. A **CP** is not required to **contribute credit information** about those accounts listed in Schedule 1 to this PRDE.

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## **PRINCIPLE 2**

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***Principle 2: It is necessary to be a PRDE signatory in order to exchange PRDE signatory Consumer Credit Liability Information (CCLI) and Repayment History Information (RHI) with other PRDE signatories.***

Exchange of **Partial Information** and **Comprehensive Information**

34. For a **CP** to **contribute partial information** or **comprehensive information** and, if it then elects, to obtain **supply of partial information** or **comprehensive information** which has been **contributed** by a **signatory** it must also be a **signatory** to this PRDE and its nominated **Tier Level** must be either **partial information** or **comprehensive information** (as applicable).
35. For a **CRB** to receive **contribution of partial information** or **comprehensive information** from a **signatory** it must also be a **signatory** to this PRDE. For a **CRB** to then **supply** that **contributed partial information** or **comprehensive information** to a **CP** it must ensure that **CP** is a **signatory** to this PRDE and each recipient of such information must have nominated a **Tier Level** of either **partial information** or **comprehensive information** (as applicable).
36. A **CRB** may receive **contribution of partial information** or **comprehensive information** from a non-signatory CP, and a **CRB** may also **supply partial information** or **comprehensive information** to a non-signatory CP. However, a **CRB** must not **supply signatory CP partial information** or **comprehensive information** to a non-signatory CP.
37. **Contribution** and **supply of partial information** and **comprehensive information** by **signatories** must comply with the **ACRDS**.

Promises by **CRBs**

38. We will only **supply partial information** and **comprehensive information** **contributed** by a **signatory** to a **CP** if it is a **signatory** to this PRDE or a **CP** which is engaged by a **CP** as an agent or as a **Securitisation Entity** (either in its own capacity or for or on behalf of the **CP**), or the recipient is otherwise a **Mortgage Insurer** or a **Trade Insurer** and receives the information for a **Mortgage Insurance Purpose** or **Trade Insurance Purpose**.

Promises by **CPs**

39. We will only **contribute** and obtain **supply of partial information** and **comprehensive information** from a **CRB** which is a **signatory** to this PRDE.
40. We will notify the **PRDE Administrator Entity** of the **Securitisation Entities** we engage and enable to obtain **supply of partial information** or **comprehensive**

**information** from a **CRB** for a **securitisation related purpose**. We will disclose these **Securitisation Entities** to the **PRDE Administrator Entity** so that it can make this information available to **CRBs** and **CPs**.

### **Securitisation Entities**

41. Where a **Securitisation Entity** obtains the **supply** of **credit reporting information** for the **securitisation related purposes** of the **CP**, the **Securitisation Entity** will only be able to obtain **credit reporting information** that would have been accessible to the **CP**.
42. The **Securitisation Entity** will be required to **contribute credit information** held by the **Securitisation Entity**, but if such **contribution** is at a lower **Tier Level** this will not prevent the **supply** of **credit reporting information** at a higher **Tier Level**, subject to the requirements of paragraphs 40 and 41.

### **On supply of information**

43. Disclosure to other **CPs** (whether a **signatory** or non-signatory) and to **Designated Entities**

A **CP** is not permitted to **on-supply partial information** or **comprehensive information** to another **CP** (whether a **signatory** or a non-signatory) or **Designated Entity** if the terms of this PRDE prevent that other **CP** (whether a **signatory** or a non-signatory) or **Designated Entity** from obtaining the **supply** of that **partial information** or **comprehensive information** directly from that **CRB**.

For example, where a **CP** has chosen to obtain the **supply** from **CRBs** of **comprehensive information**, the **CP** is prohibited from **on-supplying** any **repayment history information** or information derived from that information to a **CP** or to a **Designated Entity** that has chosen to obtain the **supply** from **CRBs** of **partial information** only.

44. Despite paragraph 43, a **CP** is permitted to **on-supply partial information** or **comprehensive information** to a **Securitisation Entity** provided that the purpose of the **on-supply** of that **partial information** or **comprehensive information** is for **securitisation related purposes** of a **CP**.
45. Despite the prohibition preventing **on-supply** above, a **CP** may make **credit eligibility information** available to another **CP** (whether a **signatory** or non-signatory) for review purposes only to enable them to assess whether or not to acquire consumer credit accounts.

For example, if a **CP** (the acquirer **CP**) who has chosen to contribute **negative information** only, acquires consumer credit accounts from a **CP** (the acquired **CP**) who has chosen (in respect of the acquired consumer credit accounts) to contribute **comprehensive information**, the acquirer **CP** will be able to review the **comprehensive information** of the acquired **CP** (in respect of the acquired consumer credit accounts) to assess whether or not to acquire the consumer credit accounts. The acquirer **CP**'s review of the **credit eligibility information** may be restricted by the **Privacy Act** requirement that **repayment history information** may only be supplied to a **CP** that is an Australian credit licensee.

46. Disclosure to third parties

Despite the prohibition preventing **on-supply** above, a **CP** is permitted to **on supply partial information** or **comprehensive information** to third parties who are not **CPs** or who are a **CP** within the meaning of s6H of the **Privacy Act**, where the disclosure

of this information is a permitted disclosure in accordance with section 21G(3) of the **Privacy Act** and, the **on-supply of repayment history information**, occurs only in the circumstances set out in section 21G(5) of the **Privacy Act**.

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## **PRINCIPLE 3**

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**Principle 3: Service agreements between PRDE signatories will require reciprocity and the use of the ACRDS**

### **Service agreements**

47. **Service agreements:**

- a) will require **CPs to contribute credit information** at their nominated **Tier Level** and **CRBs to supply credit reporting information** at the nominated **Tier Level**;
- b) will require **CPs to use the ACRDS when contributing credit information to CRBs**; and
- c) may, in respect of those **service agreements** with non-signatory CPs, provide that the non-signatory CPs can continue to **contribute** outside the **ACRDS**, provided that this provision of information meets the requirements under the **Privacy Act** and also encourage the use of the **ACRDS**.

### **Promises by CRBs**

- 48. We will not accept **contributed credit information** from a **CP** unless the information is compliant with **ACRDS** or the **CP** has engaged us to convert the **contributed credit information** into an **ACRDS** compliant format.
- 49. We may provide a service for **CPs** that will convert **contributed credit information** into an **ACRDS** compliant format.

### **Promises by CPs**

- 50. Our **contributed credit information** will comply with the **ACRDS** or alternatively we will utilise the **CRB's** service to convert our contributed **credit information** into an **ACRDS** compliant format.

### **Contribution barriers**

- 51. **CRBs** must not impose constraints to restrict a **CP** from **contributing credit information** to another **CRB**.

### **Management of the ACRDS**

- 52. The **PRDE Administrator Entity** is required to maintain and manage the **ACRDS**.

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## **PRINCIPLE 4**

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**Principle 4: PRDE signatories agree to adopt transition rules which will support early adoption of partial and comprehensive information exchange.**

## Transitional arrangements

53. Subject to the materiality and other exceptions set out in paragraphs 29 to 33 and the transitional provisions set out in paragraphs 54 to 64, a **CP** will **contribute credit information** about their consumer credit accounts at their chosen **Tier Level** before obtaining their first **supply of credit reporting information** from a **CRB**.
54. For **CPs** that become a **signatory** to the PRDE:
- a) at the time of the **Effective Date**, they must **contribute the credit information** for at least 50% of the accounts for the nominated **Tier Level** that they are required by this PRDE to **contribute** prior to obtaining **supply of credit reporting information** at this nominated **Tier Level** from a **CRB**;
  - b) within 12 months of the **Effective Date**, they are required to **contribute** all of the **credit information** for the accounts at the nominated **Tier Level** to fully comply with their obligations under this PRDE.
55. For **CPs** that are existing signatories to this PRDE and nominate to obtain **supply of credit reporting information** (and to **contribute credit information**) at a different **Tier Level**:
- a) they must notify their nomination of the different **Tier Level** to the **PRDE Administrator Entity** and to a **CRB** with which they have **service agreements** not less than 90 days before commencing **contribution of credit information** at the different **Tier Level**. The notification of the change in **Tier Level** will be provided to the **PRDE Administrator Entity** so that it can make this information available to **CRBs** and **CPs**;
  - b) at the time of notifying their nomination, and if nominating to a higher **Tier Level**:
    - i) they must **contribute the credit information** for at least 50% of the accounts for the **Tier Level** they are required by this PRDE to **contribute** prior to obtaining **supply of credit reporting information** at the higher **Tier Level** from a **CRB**;
    - ii) within 12 months of nomination of the **Tier Level**, they must **contribute** all of the **credit information** for the accounts they are required to **contribute** to fully comply with their obligations under this PRDE.
56. **CPs** can nominate to **contribute** at a different **Tier Level** in accordance with paragraph 55, although the full **contribution of credit information** in accordance with paragraph 54 has not occurred.
- For example, on signing the PRDE at the start of January 2015, a **CP** may nominate to obtain **supply at negative information Tier Level** with full **contribution** required by the end of December 2015 (to be compliant for January 2016). The **CP** subsequently nominates to obtain **supply at comprehensive information Tier Level** at the start of June 2015. **Contribution** at each **Tier Level** will run from the date of each nomination so that the **CP** will provide full **contribution of negative information Tier Level** in December 2015, six months before it is required to provide full **contribution of comprehensive information Tier Level** by the end of May 2016 (to be compliant for June 2016).
57. **CPs** must notify the **PRDE Administrator Entity** upon attainment of full compliance, in accordance with subparagraphs 54(b) and 55(b)(ii) above. Such notification may be

provided at any time before the expiry of the 12 month period and will be published to other signatories.

#### Data supply

58. Subject to the above transitional requirements, **CPs** must comply with the following requirements when **contributing credit information**:
- a) For **negative information, contribution of negative information** for all consumer credit accounts which are eligible in accordance with the **Privacy Act** and **ACRDS** at the date of first **contribution** by the **CP** and, thereafter, all consumer credit accounts on an ongoing basis.
  - b) For **partial information**, in addition to complying with the requirements for **negative information, contribution of consumer credit liability information** for all consumer credit accounts which are open at the date of first **contribution** by the **CP** and, thereafter, all consumer credit accounts on an ongoing basis.
  - c) For **comprehensive information**, in addition to complying with the requirements for **negative and partial information, contribution of repayment history information** for all consumer credit accounts which are open at the date of first **contribution** by the **CP** for a period of three calendar months prior to the first **contribution** by the **CP** or alternatively, supply over three consecutive months to then amount to first **contribution** by the **CP**, and, thereafter, all consumer credit accounts on an ongoing basis.

For example, where a **CP** has chosen to **contribute comprehensive information**, the **CP** will be required to provide at least 50% of the **repayment history information** for the period dating three calendar months immediately prior to first **contribution** by the **CP** and, ongoing, at least 50% of all **repayment history information** for those first 12 months. This means that, 12 months from the date of the first **contribution** the **CP** will be required to have **contributed**:

- a) at least 50% **repayment history information** on the first **contribution** (for the previous 15 months) then;
- b) all **repayment history information** on an ongoing basis.

#### Acquisition of consumer credit accounts

59. Where a **CP** acquires consumer credit accounts from another **CP**, the **CP** may, for a period of 90 days (the review period), from the date of acquisition, review these accounts for compliance with the PRDE. The **CP** must notify the **PRDE Administrator Entity** of the acquisition of these consumer credit accounts, including the date of acquisition, within 7 business days of this acquisition.
60. At the expiry of the review period, and subject to the run-off exception in paragraphs 31 and 32 above and the **Designated Entity** provisions in paragraph 22 to 28 above, the **CP**:
- a) must **contribute the credit information** for at least 50% of the acquired consumer credit accounts for the **Tier Level** they are required by this PRDE to **contribute**;
  - b) within 12 months, they must **contribute** all of the **credit information** for the acquired consumer credit accounts.

61. The provisions relating to acquisition of consumer credit accounts only apply to acquired consumer credit accounts, and do not affect all other **CP contribution** obligations contained in this PRDE.

#### Testing and data verification

62. Despite the provisions above in Principle 4, the PRDE does not prohibit a **CP** or **CRB** (as applicable) from the **supply** and/or **contribution of credit information** and the obtaining **supply** and/or **contribution of credit reporting information** where such **contribution, supply** and obtaining of **supply** is for testing and verification purposes.

#### Non-PRDE Service Agreements

63. Where a CRB and a CP (whether signatories or non-signatories)

a) enter into a service agreement which enables the **contribution, supply** or obtaining of **supply of partial information** or **comprehensive information** outside of the PRDE; and the CRB or CP choose to subsequently become PRDE **signatories**;

the **contribution, supply** or obtaining of **supply of partial information** or **comprehensive information** pursuant to that service agreement (non-PRDE service agreement) will be deemed compliant with this PRDE provided that the criteria set out in paragraph 64 below is satisfied.

64. The **contribution, supply** or obtaining of **supply of credit information** and/or **credit reporting information** by either the CP or CRB under the non-PRDE service agreement will be compliant with this PRDE where, within a period of no longer than 90 days from the **Signing Date**:
- a) the **supply, contribution** and obtaining of **supply of partial information** or **comprehensive information** is in accordance with this PRDE;
  - b) the **contribution of credit information** by the **CP** to the non-PRDE service agreement is in accordance with the **ACRDS**;
  - c) the **credit information** previously contributed for the CP's consumer credit accounts is included in the calculation of initial contribution, in accordance with paragraph 54 above;
  - d) the transition period which applies to the **contribution of credit information** by the **CP** is 12 months from the **Signing Date** or in the event that a **CP** has supplied its **partial information** or **comprehensive information** pursuant to a non-PRDE service agreement for a period of more than 12 months prior to the **Signing Date**, then 90 days from the **Signing Date**. ;
  - e) the **contribution, supply** and obtaining **supply** of the **partial** and/or **comprehensive information** is subject to the monitoring, reporting and compliance requirements contained within Principle 5 below. However, it is noted that the obligations contained in Principle 5 will only become effective at the **Signing Date**.

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## **PRINCIPLE 5**

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***Principle 5: PRDE signatories will be subject to monitoring, reporting and compliance requirements, for the purpose of encouraging participation in the exchange of credit information and data integrity***

65. Upon becoming a **signatory** to the PRDE, a **signatory** does not make any representation (whether direct or implied) arising by reason of its signing the PRDE to any other **signatory** to this PRDE. Principle 5 sets out the agreed process for addressing non-compliance with the PRDE. A **CP** or a **CRB** who forms an opinion of **non-compliant conduct** by another **CP** or **CRB** is required to adhere to the process set out in this Principle to resolve a dispute about **non-compliant conduct** and may not take any other action or steps against the **CP** or **CRB**. Any information exchanged by the parties as part of this process cannot be relied upon in any other forum.

**Initial report of non-compliant conduct**

66. Where a **CP** or **CRB** (the reporting **CP** or **CRB**) forms an opinion that any **CP** or **CRB** (the respondent **CP** or **CRB**) to this PRDE has engaged in **non-compliant conduct**, it will issue to that **CP** or **CRB** a report of **non-compliant conduct**. Such a report must comply with the **SRR**.
67. From the date of the receipt of the report by the respondent **CP** or **CRB**, the parties have 30 calendar days (the Initial Period) in which to:
- a) Confer;
  - b) Respond to the report of **non-compliant conduct**, providing such supporting information as the respondent **CP** or **CRB** deems necessary; and/or
  - c) Enter into a **Rectification Plan**. The **Rectification Plan** must comply with the **SRR**; or
  - d) Agree that the conduct of the respondent **CP** or **CRB** is compliant with the PRDE.
68. If the **Rectification Plan** results in the **non-compliant conduct** being rectified within the Initial Period (Stage 1 Dispute), the dispute is closed and no information about the dispute will be provided to the **PRDE Administrator Entity**.
69. If the **Rectification Plan** is entered into within the Initial Period but the **non-compliant conduct** will not be resolved within that timeframe (Stage 2 Dispute), both parties to the **Rectification Plan** are obliged to provide the **Rectification Plan** to the **PRDE Administrator Entity** within 3 business days of the expiry of the Initial Period.
70. If there is no **Rectification Plan** entered into within the Initial Period and there is no agreement that the conduct is compliant (Stage 3 Dispute), both parties to the dispute are obliged to notify the **PRDE Administrator Entity** within 3 business days of the expiry of the Initial Period.

**Referral to PRDE Administrator Entity – Stage 2 Dispute**

71. When a Stage 2 Dispute is referred to the **PRDE Administrator Entity**, the **PRDE Administrator Entity** is required to make the **Rectification Plan** available to **signatories** within 3 business days of receipt of the **Rectification Plan**.
72. Any **signatory** may object to the **Rectification Plan** by issuing a notice of objection to the two initial reporting and respondent parties within 7 calendar days of publication of the **Rectification Plan**. Such notice of objection must comply with the **SRR**.

73. In the event that a **signatory** issues a notice of objection, for the purposes of this PRDE that **signatory** will be the reporting **CP** or **CRB**, and the two initial reporting and respondent parties will be deemed to be the respondent parties. The dispute resolution process set out in paragraphs 66 to 70 above will then apply to the dispute.

Referral to **PRDE Administrator Entity** – Stage 3 Dispute

74. When a Stage 3 Dispute is referred to the **PRDE Administrator Entity**, the **PRDE Administrator Entity** is required to, within 3 business days of referral of the dispute:
- a) make a de-identified report of the dispute issues available to **signatories**;
  - b) make an identified report of the dispute available to the **Industry Determination Group**.

Both reports of the dispute must comply with the **SRR**.

Referral to the **Industry Determination Group**

75. The **Industry Determination Group** will convene within 3 business days of receipt of an identified report of dispute from the **PRDE Administrator Entity**.
76. The **Industry Determination Group** will:
- a) Review the dispute; and
  - b) Identify further information required to determine the issues in dispute, the manner in which that information will be presented (whether oral or documentary) and a reasonable timeframe for production of this information.
77. The **Industry Determination Group** may, where it considers necessary, request representatives of the parties attend the **Industry Determination Group** meeting.
78. Where the **Industry Determination Group** determines that it has sufficient information and/or no further information is required, the **Industry Determination Group** will:
- a) Determine whether it is necessary for the parties to participate in a conciliation to resolve the dispute and a reasonable timeframe for this conciliation; or
  - b) Issue a recommendation within 14 calendar days. The recommendation must comply with the **SRR**.
79. The **PRDE Administrator Entity** will issue to the parties the **Industry Determination Group's** directions or recommendation within 3 business days of each **Industry Determination Group** direction or recommendation.
80. Where the **Industry Determination Group** has directed the parties to conciliation, the following process applies:
- a) The conciliation will be confidential;
  - b) The conciliation will be conducted by a nominated representative of the **Industry Determination Group** and will occur in the presence of a representative of the **PRDE Administrator Entity**;

- c) At the conclusion of the conciliation, the **Industry Determination Group** representative ('the conciliator') will provide the **PRDE Administrator Entity** a certificate of outcome. This certificate will:
    - i) Confirm settlement of the dispute and attach an agreed **Rectification Plan**; and
    - ii) Refer the dispute back to the **Industry Determination Group** for further review, in accordance with paragraph 76 above.
81. Where a dispute has been referred to the **Industry Determination Group** in accordance with paragraphs 76 and 80 above, the **Industry Determination Group** will within a period of 3 business days:
- a) Confirm endorsement of the **Rectification Plan** and notify the **PRDE Administrator Entity** to publish the **Rectification Plan**; or
  - b) Decline endorsement of the **Rectification Plan** and provide its reasons to the parties. The parties will then have 3 business days in which to provide the **PRDE Administrator Entity** an amended **Rectification Plan** which the **PRDE Administrator Entity** will provide to the **Industry Determination Group**. Where the **Rectification Plan** is then not endorsed by the **Industry Determination Group**, the **Industry Determination Group** will be required to issue a recommendation in accordance with paragraph 76(b) above.

#### Referral to Eminent Person

82. Where the **Industry Determination Group** has issued a recommendation in accordance with paragraph 78 above, the parties have 14 calendar days from issue of the recommendation by the **PRDE Administrator Entity** to accept or reject this recommendation. If the parties do not respond within this timeframe, they are deemed to have accepted the recommendation.
83. In the event either or both of the parties reject the recommendation, the dispute will be referred to the **Eminent Person** for review and decision.
84. The **PRDE Administrator Entity** will brief the **Eminent Person** within 14 calendar days of notice of the rejection. The brief will include:
- a) The **Industry Determination Group** recommendation;
  - b) The report of **non-compliant conduct** or notice of objection (as applicable);
  - c) Any further information provided to the **Industry Determination Group** by the parties.
85. The **Eminent Person** will:
- a) Review the dispute; and
  - b) Identify further information required to determine the issues in dispute, the manner in which that information will be presented (whether oral or documentary) and a reasonable timeframe for production of this information.

86. The **Eminent Person** may, where it considers it necessary, request the parties meet with the **Eminent Person** to discuss the dispute. Such meeting may be on a confidential basis and will be attended by a representative of the **PRDE Administrator Entity**.
87. Where the **Eminent Person** determines that it has sufficient information and/or no further information is required, the **Eminent Person** will issue a decision within 14 calendar days. The decision will comply with the **SRR**.
88. The decision of the **Eminent Person** is binding and final.

#### Compliance outcomes

89. The possible outcomes available to the **Industry Determination Group** and to the **Eminent Person** are:
- a) The respondent **CP** or **CRB** is compliant with the PRDE and no outcome is required; and/or
  - b) Issue a formal warning to the **CP** or **CRB** on their compliance with the PRDE; and/or
  - c) Issue a direction to the respondent **CP** or **CRB** with which they must comply, including, but not limited to, the completion of staff training, and/or provision of satisfactory evidence of compliance; and/or
  - d) Require the respondent **CP** or **CRB** to **contribute** and obtain **supply of credit information** and **credit reporting information** (as applicable) at a lower **Tier Level** for a nominated period.
90. Any **CP** (whether a party to a dispute or not) will be exempt from the requirements in paragraph 15 above, for the **CRB** which has had a compliance outcome applied to it in paragraph 89 (b to d) above.
91. These outcomes may be identified as an escalated process within the recommendation or decision.
92. Such outcomes will be overseen by the **PRDE Administrator Entity**.

#### Obligations

93. **CPs** and **CRBs** will:
- a) Comply with the directions of the **Industry Determination Group** and the **Eminent Person** within the time specified in the direction;
  - b) Be bound by a compliance outcome, where contained in a **Rectification Plan** (under paragraphs 68, 69 and 81(a)), or an accepted recommendation (under paragraph 82), or Eminent Person decision (under paragraph 87);
  - c) Comply with a request from the **PRDE Administrator Entity** in respect to matters arising from paragraph 89, including where the **CP** and/or **CRB** is not a party to the compliance outcome but may be required to take steps to give effect to the outcome;
  - d) Act in good faith at all times;
  - e) When provided with confidential information during the compliance process, keep this information confidential. Confidential information means information provided by either party to a dispute and which, in the

circumstances surrounding disclosure, a reasonable person would regard as confidential; and

- f) Attest to their compliance with the PRDE. Such attestation will be provided by a representative of a **signatory** who has the authority to bind the **CP** or **CRB** and who has the primary responsibility for the records of the **signatory** relating to its compliance with the PRDE. The attestation will be wholly true and accurate, will comply with the **SRR** and be provided on an annual basis to the **PRDE Administrator Entity** within 7 business days of the effective date anniversary.
94. The **Industry Determination Group** and **Eminent Person** are obliged to act in accordance with their respective Terms of Reference.
95. The **PRDE Administrator Entity** is obliged to:
- a) Issue such reports as are identified in paragraphs 103 to 105 below;
  - b) Provide assistance, as requested, to the **Industry Determination Group** and **Eminent Person**; and
  - c) Act in accordance with its constitution.

#### Self-reporting

96. Where a **CP** or **CRB** forms an opinion that it has engaged in non-compliant conduct, it may issue a report to the **PRDE Administrator Entity**. Such a self-report is required to comply with the **SRR**.
97. Where a **CP** or **CRB** files a self-report, it will have 30 calendar days in which to file a **Rectification Plan** with the **PRDE Administrator Entity**. This **Rectification Plan** will comply with the **SRR**.
98. Upon the expiry of 30 calendar days, the dispute resolution process set out in paragraphs 66 to 70 above will apply to the issue, with the respondent to the dispute being the **PRDE Administrator Entity**.

#### Extension of time

99. At any stage, other than the Initial Period, the parties may apply to the **PRDE Administrator Entity** to seek an extension of time for a response. The request for an extension of time must comply with the **SRR**.
100. Where a dispute is being dealt with by the **Industry Determination Group** or **Eminent Person**, the request for an extension of time will be determined by the **Industry Determination Group** or **Eminent Person** (as applicable).
101. In all other circumstances, the request for an extension of time will be determined by the **PRDE Administrator Entity**.

#### PRDE Administrator Entity reporting

102. The **PRDE Administrator Entity** will keep a register of:
- a) **Signatories**, their **Signing Date** and **Effective Date** for the **Deed Poll**, and key contacts at each **signatory**;
  - b) The nominated **Tier Levels** for each **CP**;
  - c) The **Designated Entities** of each **CP**;

- d) The **Securitisation Entities** of each **CP**;
  - e) Attestation of compliance for each **CP** in accordance with paragraph 57.
103. The **PRDE Administrator Entity** will report to **signatories**:
- a) De-identified reports of Stage 2 disputes;
  - b) Identified reports of the **Industry Determination Group's** recommendations (where such a recommendation is accepted by the parties) or identified reports of the **Eminent Person's** decision.
104. The **PRDE Administrator Entity** will report to **CPs**:
- a) **Tier Levels** of **signatories** in accordance with paragraph 9;
  - b) **Designated Entities** of **CPs** in accordance with paragraph 24;
  - c) **Securitisation Entities** in accordance with paragraph 40;
  - d) Where a **CP** notifies of its nomination of a different **Tier Level** in accordance with paragraph 55(a);
  - e) Attainment of full compliance by a **CP** in accordance with paragraph 57.
105. The **PRDE Administrator Entity** will report to a **CRB**, upon request by a **CRB** and where consent is provided by a **CP**, the following information about that **CP**:
- a) **Tier Level** of the **CP** in accordance with paragraph 9;
  - b) The **Designated Entities** of the **CP** in accordance with paragraph 24;
  - c) The **Securitisation Entities** of the **CP** in accordance with paragraph 40;
  - d) Where a **CP** notifies of its nomination of a different **Tier Level** in accordance with paragraph 55(a); and
  - e) Attainment of full compliance by a **CP** in accordance with paragraph 57.
106. **CPs** and **CRBs** will supply the **PRDE Administrator Entity** such information as required to enable it to fulfil its obligations as specified in 102 to 105.

#### **PRDE Administrator Entity powers**

107. The **PRDE Administrator Entity** may initiate a report of **non-compliant conduct**, in which case it will be the reporting party, and the dispute resolution provisions set out in paragraphs 66 to 70 will apply. Such a report can only be issued where the non-compliance relates to:
- a) A **CRB** or **CP's** failure to pay the costs identified by the **PRDE Administrator Entity**, as required by paragraphs 7 and 13 above;
  - b) A **CRB's** failure to inform the **PRDE Administrator Entity** of the **Tier Level** of a **CP** that **contributes credit information**, as required by paragraph 5 above;
  - c) A **CP's** failure to disclose its chosen **Tier Level** to the **PRDE Administrator Entity**, as required by paragraph 9 above;
  - d) A **CP's** failure to notify the **PRDE Administrator Entity** of its **Designated Entities** and/or a failure to notify the **PRDE Administrator Entity** if the

**Designated Entity** ceases to meet this criteria, as required by paragraphs 24 and 28 above;

- e) A **CP**'s failure to notify the **PRDE Administrator Entity** when it changes **Tier Level**, as required by paragraph 55 above;
  - f) Where a **CP** has not notified the **PRDE Administrator Entity** of its compliance within the 12 month period, as required by paragraph 57 above;
  - g) A **CP**'s failure to notify the **PRDE Administrator Entity** of the acquisition of consumer credit accounts, as required by paragraph 59 above;
  - h) A **CRB** or **CP**'s failure to comply with the compliance framework notification requirements set out in paragraphs 69 and 70 above;
  - i) A **CRB** or **CP**'s failure to comply with a compliance outcome, as required by paragraphs 93(b) above;
  - j) A **CRB** or **CP**'s failure to comply with a request from the **PRDE Administrator Entity**, as required by paragraph 93(c) above;
  - k) A **CRB** or **CP**'s failure to provide its annual attestation, or the provision of an attestation which, on reasonable grounds, the **PRDE Administrator Entity** believes to be wholly or partly false, as required by paragraph 93 (f) above.
108. A reporting or respondent **CP** or **CRB** may request the **PRDE Administrator Entity** issue a direction to join disputes (whether at a Stage 2 Dispute or Stage 3 Dispute) where:
- a) there are common parties and issues; and
  - b) The **PRDE Administrator Entity** determines the joining of disputes is necessary for the effective resolution of the disputes.

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## **PRINCIPLE 6**

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***Principle 6: A broad review of the PRDE to be completed after three years.***

Independent review

- 109. The terms and operation of this PRDE, including the continued operation of the transitional provisions in Principle 4, must be reviewed by an independent reviewer after the PRDE has been in operation 3 years and at regular intervals after that (not more than every 5 years).
- 110. The **PRDE Administrator Entity** is responsible for formulating the scope and terms of reference of an independent review. These must be settled in consultation with **signatories**. The **PRDE Administrator Entity** must also ensure that the independent review is adequately resourced and supported, the reviewer consults with **signatories**, the review report is made available to all **signatories** and the review recommendations are adequately responded to.
- 111. In addition to the independent review, the **PRDE Administrator Entity** may review and vary the PRDE at any time during its operation, on the recommendation of the

**Industry Determination Group** or the **PRDE Administrator Entity**. Such recommendation must be supported by:

- a) a statement of consultation, with such consultation appropriate to the nature and scope of the variation; and
- b) 75% resolution of the **PRDE Administrator Entity**.

Promises by **CRBs**

112. Each CRB will cooperate in good faith with the **PRDE Administrator Entity** and assist with the review.

Promises by **CPs**

113. Each **CP** will cooperate in good faith with the **PRDE Administrator Entity** and assist with the review.

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## SCHEDULE 1

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**Account exceptions** (paragraph 33 above)

1. Margin Loan accounts being a loan product where the products purchased (using the loan funds) are shares and the loan security is the shares purchased.
2. Novated Lease accounts.
3. Flexible Payment Option accounts being an account facility offered on charge card products that enables consumers, pursuant to the terms and conditions of the account, to revolve or defer payment of their outstanding balance.
4. Overdrawn deposit or transaction accounts that are not formal overdrafts.