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Senate Economics Committee  
Inquiry into Business Names Registration Bill 2011  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia  
[economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Sir/Madam

The Australasian Retail Credit Association (ARCA) is the industry association for Australia's credit reporting agencies and major credit providers within the banking and finance industry. ARCA exists to promote best practice in credit risk assessment and responsible lending, as well as promoting better standards in consumer credit reporting. ARCA takes a leadership role in promoting the sharing of information between our Members to enable them to better serve their customers. ( I have attached an information sheet for your reference regarding ARCA.)

ARCA notes the proposed Business Names Registration Bill 2011.

Information on the Business Names Register provides information relevant to meeting lender's obligations under two acts:

Responsible lending requirements under the National Consumer Credit Protection Act (NCCP); and

Anti-money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF)

Responsible lending guidelines place broad requirements on lenders to assess the capacity of an applicant to meet additional credit obligations and to verify the information provided by that applicant.

The holding of a business name by an individual may be indicative of commercial activity and associated increased credit exposure. Sound credit risk assessment takes this and other factors into account when making a decision on extending credit and on what terms.

In regard to requirements of the AML/CTF Act, lenders are obliged as part of Know-Your-Customer (KYC) to collect business names information for sole traders; partnership and trustees. For high-risk customers, these obligations increase to require verification of the information collected.

The business names register therefore has a role in helping financial institutions fulfil legislative requirements and we welcome the inclusion of a specific reference [60(1) (b)] to the ability to obtain entries in the BNR relating to a particular entity. Integral to this is the capacity of the Business Names Register to ensure information returned is accurate and easily matched to the entity enquired about.

We await further work from the Government/ASIC on the operation of the Register. If the Committee has further queries, please contact Matt Gijselman

Yours sincerely

Damian Paull  
Chief Executive Officer



# About ARCA

ARCA is the industry association for Australia's credit reporting agencies and major financial services organisations.

ARCA exists to promote best practice in credit risk assessment and responsible lending, as well as promoting better standards in consumer credit reporting. ARCA takes a leadership role in promoting the sharing of information to enable credit providers to better serve their customers.

ARCA Members are motivated by the opportunity to improve the quality of credit reporting information in Australia through improvements to the existing credit reporting regime, as well as the introduction of more comprehensive credit reporting.

The introduction of more comprehensive credit reporting will bring significant benefits to the Australian community, including more informed lending decisions which have the potential to drive positive economic activity.

Improved data sharing is critical to the efficient operating of credit markets, resulting in improved products and rates for consumers.

ARCA wishes to build the groundwork for constructive 'financial literacy' amongst Australians with the broader goal of accelerating the benefits of positive credit practices in our economy.

## **ARCA's Members include:**

Abacus – Australian Mutuals  
American Express  
ANZ Group  
Bank of Queensland  
Bendigo & Adelaide Bank  
Citibank  
Commonwealth Bank  
Dun & Bradstreet  
GE Capital  
HSBC Bank  
Lloyds International  
ME Bank  
NAB Group  
Suncorp  
Toyota Finance  
VedaAdvantage  
Westpac Group

Additional information on ARCA is available at <http://www.arca.net.au>