BIIA Newsletter

Market Intelligence - Industry Development & Trends - Information Technology - Regulatory Issues - User Community

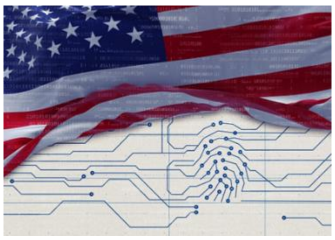
BIIA NEWSLETTER ISSUE 10 I - 2022

OCTOBER I – 2022 ISSUE

BIIA Network Group on LinkedIn is now 3,700 Strong

LATE BREAKING NEWS

US – EU Data Privacy Framework Signed by US President Biden



President Biden has finally signed an executive order to implement a long-delayed data transfer framework with the European Union that adopts new American intelligence gathering privacy safeguards.

Privacy Shield is a **European Union-United States data transfer framework** that aims to ease European concerns regarding US surveillance practices. The order will create a new body within the US Department of Justice that will oversee how American national security agencies are able to access and use information from both European and US citizens.

The framework is expected to end the limbo in which thousands of companies found themselves after the Court of Justice of the European Union (CJEU) struck down the two previous pacts over doubts regarding the safety of EU citizens' data that tech companies store in the US. It will also give new powers to the civil liberties protection officials within the US Office of the Director of National Intelligence, a body that oversees agencies' work, to investigate possible breaches of people's privacy rights.

The agreement is set to end disagreement between the European Union's stringent data privacy rules and the comparatively lax regime in the US, which lacks a federal privacy law.

"Transatlantic data flows are critical to enabling the $7.1 trillion EU-US economic relationship. The EU-US. DPF will restore an important legal basis for transatlantic data flows by addressing concerns that the Court of Justice of the European Union raised in striking down the prior EU-US Privacy Shield framework as a valid data transfer mechanism under EU law," says the White House statement.

"The Executive Order bolsters an already rigorous array of privacy and civil liberties safeguards for US signals intelligence activities. It also creates an independent and binding mechanism enabling individuals in qualifying states and regional economic integration organisations, as designated under the Executive Order, to seek redress if they believe their personal data was collected through US signals intelligence in a manner that violated applicable US law."

Under the executive order, the US intelligence community has been ordered to implement policy and procedure updates to adhere to new privacy protections, while the Privacy and Civil Liberties Oversight Board has been directed to evaluate such updates.

EU-based individuals will be permitted to seek redress via an independent Data Protection Review Court, with an Office of the Director of National Intelligence civil liberties protection officer tasked to perform an initial complaint investigation. "The EU-US Data Privacy Framework includes robust commitment to strengthen the privacy and civil liberties safeguards for signals intelligence, which will ensure the privacy of EU personal data," told US Commerce Secretary Gina Raimondo.

While the measure has gained the support of US tech firms and industry groups as an effort that would ease cross-border data flows, domestic consumer and data privacy organisations have criticized inadequate data protections laid out in the framework. ***Source: Cyber Security Intelligence***

It appears that **European Commissioner for Justice Didier Reynders** has already raised the possibility of new legal actions. He said in a Reuters interview: He was "quite sure" there would be a fresh legal challenge, but he was confident that the pact met the demands of the court. "We have a real improvement relative to the Privacy Shield…. It's totally different," he told Reuters in an interview. "Maybe the third attempt will be the good one." ***Source: Press Coverage***

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LATE BREAKING NEWS

The Monetary Authority of Singapore (MAS) has launched the ESG Impact Hub to spur collaboration between ESG fintechs and solution providers

The Hub will also anchor industry-driven sustainability initiatives such the Point Carbon Zero Program and KPMG's ESG Business Founder. The establishment of the **Hub seeks to capitalize on the industry interest in Project Greenprint and expedite the growth of Singapore's ESG ecosystem on three fronts**:

MAS
Monetary Authority of Singapore

Growing ESG fintechs: the Hub will facilitate the discovery, scaling, and deployment of technology solutions to address ESG needs of corporates and financial institutions, notably in terms of accurate measurement, reporting, and verification of climate and sustainability data.

Anchoring ESG enablers: MAS will engage knowledge partners, financial institutions, and investors to organize key ESG initiatives out of the Hub, such as ESG fintech accelerator programs, training, capacity-building workshops, and thought leadership events.

Supporting ESG stakeholders: MAS will engage the Hub community to deploy its programs and solutions to drive material, quantifiable impacts that support sectoral transition efforts, with particular emphasis on the eight focus sectors identified by the Green Finance Industry Taskforce (GFIT). ***Who is in the Hub? Find out by clicking here***

China: The Mainland's Security Assessment Measures on Cross-border Transfers of Data Has Taken Effect September 1, 2022

The Office of the Privacy Commissioner for Personal Data (PCPD) notes that the Security Assessment Measures on Cross-border Transfers of Data (the Measures) promulgated by the Cyberspace **Administration of China (CAC) come into operation 1 September 2022.**

The PCPD reminds local enterprises, such as banks, insurance companies and securities companies, which conduct businesses on the Mainland that if the conditions prescribed in the Measures are met, they may need to report their security assessments on cross-border transfers of data to the CAC in accordance with the relevant regulations.

According to the Measures, data processors (including enterprises or organisations) which effect cross-border transfers of data shall, in any of the following situations, carry out their own security assessments and report such security assessments to the CAC through local cyberspace administration authorities at the provincial level:

- where the data processor transfers important data across the border;
- where the data processor which transfers personal information across the border is an operator of Critical Information Infrastructure;
- where the data processor which transfers personal information across the border processes personal information of over 1 million persons;
- where the data processor which transfers personal information across the border has cumulatively made outbound transfers of personal information of over 100,000 persons, or sensitive personal information of over 10,000 persons since 1 January of the preceding year; and
- in other situations, as prescribed by the CAC where a report on security assessment is required.

Source: Privacy Commissioner Hong Kong news

LATE BREAKING NEWS

What is in a Name? Lieferantenkettensorgfaltspflichtengesetz

If you want to translate this tongue breaker literally it would mean: *Supplier Chain Diligence Obligations Law* or in plain English: Supplier Chain Due Diligence Act.

*Compounds, this peculiarity of the German language, are often understood as an expression of linguistic creativity, as a **quirk of bureaucratic awkwardness** or simply as an expression of the "terrible German language" (Mark Twain, 1880).*

For German companies, this act which goes into effect January 1st, 2023, will be more than a bureaucratic awkwardness. It will be an expensive undertaking to check every supplier including their subcontractors. Initially it was thought that a buyer can pass the responsibility for compliance down to the next level. This will not be the case. The buyer is responsible for due diligence down to the end of the chain. **It will be a boon for information suppliers who are to provide the information.**

Supply Chain Act (Lieferkettengesetz): *Greater protection for people and the environment in the global economy. Garments come from Asia, cocoa and fruit from Africa, and coffee from South America – the new Supply Chain Act (Lieferkettengesetz) aims to protect the rights of people who produce goods for the German market. The Cabinet has now launched the pertinent bill.*

In commerce and in production basic human rights are frequently violated within global supply chains, with child labor, exploitation, discrimination and inadequate labor law protection. Environmental destruction is also covered by the bill – illegal logging, inappropriate use of pesticides, the contamination of water resources and air pollution.

Companies in Germany earn money from items produced in other parts of the world. That is why they also bear responsibility for ensuring that human rights are respected along their supply chains. The draft legislation on corporate due diligence in supply chains is to obligate German companies to better meet their global responsibility. The bill was adopted by the Cabinet on Wednesday.

The new legislation will also address competitive disadvantages suffered by companies that are already investing voluntarily in sustainable supply chain management.

What does the Supply Chain Act regulate? *Under the provisions of the new legislation, companies' responsibility is to extend along their entire supply chain, graduated in line with the opportunities they have to exert an influence. Companies must realize their obligations in their own field of business and vis à vis their direct suppliers. Indirect suppliers are involved as soon as the company receives substantiated reports of human rights violations at that level.*

The legislation translates into concrete provisions the way companies must comply with their due diligence obligations in the field of human rights. This involves analyzing human rights-related risks, taking measures to prevent and mitigate human rights violations, setting up grievance mechanisms and reporting on their activities.

Protecting health and the environment. *The bill also covers environmental protection, where environmental risks can lead to human rights violations. Environment-related obligations are established, based on two international conventions to prevent health and environmental hazards: the Minimata Convention on Mercury and the Stockholm Convention on Persistent Organic Pollutants*. **Source:** **Federal Government of Germany**

MEMBER NEWS

Risk Management in Payment: CRIF Austria and P19 Enter into Cooperation

The solution provider and the payment initiative want to advance the issues of identity and risk management.

CRIF and P19 have decided on a partnership for 2022 and 2023. Together, the focus will be on an active discourse on the future of credit checks and risk management in payment transactions, says **Birgit Kraft-Kinz**, co-founder of P19 and CEO of Kraftkinz: "Creditworthiness and risk are two essential issues in payment. With CRIF we have the right partner to advance these topics in Austria. We are already looking forward to what we will achieve next year!"

"Experience and expertise in risk management": CRIF is a global company that offers data-based solutions for risk, fraud and identity management. In Austria, the company is the leading provider of credit risk management solutions and fraud prevention.

"P19 is an important payment network for Europe and Austria. We look forward to using our experience and expertise in risk management and digital identity in payment transactions to do our part to jointly drive development in payment and to think about new things in these areas. And above all together from Austria and Europe", comments **Ruth Moss**, Head of Marketing and Communications, CRIF.

Topics of the future in focus: In order to highlight solutions on future topics in the payment area, P19 is presenting the P19 Payment Award for the second time. The award recognizes special lighthouse projects and notable payment pioneers in the categories **"Innovative Solutio**ns", "**Sustainability in Payment**" and "**Payment Pioneer of the Year**".

"We would like to make people and projects from the payment sector visible in order to promote collaboration. One focus here is certainly to deal with topics such as the future of risk management, creditworthiness checks and digital identity checks. With CRIF we have exactly that right partner for this," says **Martin Sprengseis**, Managing Partner at bluesource and CoFounder of P19.

About: P19 forms a **platform for all payment pioneers**. We are working together to create visibility for the topic of payment in Austria and Europe as a business location. The aim is to jointly understand the rapid developments caused by leaps in technology as a relevant economic factor and to use them as an opportunity. ***Source:*** *(in German only)* *Leadersnet.at*

CRIF
Together to the next level

CRIF Ranks Among Italy's Best Employers!

The Italian newspapers Corriere della Sera and La Repubblica - Affari & Finanza have ranked our company among the best companies to work for in Italy.

The ranking is the result of social listening and anonymous interviews with employees of over 2000 companies based throughout Italy! What is more, Radar Academy has recognized CRIF with its Generation Z award, an award of great social value obtained by CRIF for its projects and investments aimed at the younger generations.

The TOP companies in the "Italy's Best Employers" ranking, published by Corriere della Sera, are selected on the basis of an independent survey conducted by the German company Statista. ***To read the full story click here***

BIIA congratulates its member CRIF for this commendable achievement

MEMBER NEWS

InfoSum Collaborates with Experian on Privacy-Centric Identity Bridging Initiative

Integration of Experian's identity graph into InfoSum's Secure Data Clean Room technology powers privacy-first identity resolution

InfoSum, the world's leading data collaboration platform, announced an agreement with Experian, the world's leading global information services company. The initiative enables brands, partners, and media owners to leverage Experian's identity graph to match their first-party datasets within InfoSum's Secure Data Clean Room technology to enrich identity profiles and amplify match rates. The collaborative effort builds on InfoSum's long-standing integration with Experian.

The multi-party collaboration partnership will also build on both Experian's and InfoSum's existing integrations with IRI, enabling marketers to enrich their first-party data, expand their existing audiences and increase match rates without having to move or share their data. Through Experian activation destinations, customers can also seamlessly push audiences across the supply chain and optimize campaign performance.

The integration builds on Experian's collaboration with InfoSum as an InfoSum Bridge participant, which first launched in 2021. With access to InfoSum Bridge, Experian and InfoSum clients can leverage Experian's digital and offline identifiers to strengthen interoperability and addressability across agencies, brands, and media owners while prioritizing consumer privacy.

In response to today's more privacy-conscious consumers, brands and media owners have adapted to ensure that data is appropriately and safely handled. InfoSum's clean room enables marketers, in a neutral and secure way, to enhance their data to maximize addressability across channels by seamlessly connecting customer identity from multiple sources.

"InfoSum and Experian share a commitment to delivering privacy-first multi-party collaboration solutions and using InfoSum's data clean rooms in tandem with Experian's identity solution, we're seeing organizations have increased match rates and data enrichment across multiple partners – all while remaining in full control of their data," said **Brian Lesser, Chairman and CEO at InfoSum**. "Experian's goal of creating a suite of future-ready data collaboration solutions for their customers and partners is made a reality through utilization of InfoSum's privacy-enhancing technology. There is no limit to the work we can do together to deliver on our joint vision to empower companies to collaborate across first, second- or third-party data without sharing it."

"Experian's goal is to create a suite of future-ready, privacy-forward data and identity resolution solutions for our customers," said **Genevieve Juillard, President at Experian Marketing Services and Data Quality.** "Having a secure ecosystem for collaboration is increasingly important to marketers, whether to enable the enrichment of audiences or measure marketing activity, marketers want better connected data. With Experian's market leading data and identity solution offered within InfoSum, together we are able to deliver on the vision of empowering companies to securely collaborate across first- second- or third-party data." ***To read the full story click on this link***

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MEMBER NEWS

Refinitiv Introduces Digital Onboarding Solution to Help Businesses Accelerate Secure and Frictionless new Customer Onboarding

New York / London / Singapore - Refinitiv, an LSEG business, announced the introduction of a secure, personalized, and frictionless global digital onboarding solution to help businesses streamline their approach to onboarding customers.

The recent, growing shift towards online commercial activity has led to a surge in digital and contactless payments, forcing organizations to hasten the implementation of their digital transformation plans. For smaller institutions providing services in the wealth, financial technology and crypto digital assets space, among others, meeting the expectations of more digital customers means offering seamless on-demand services, while also managing complex regulatory and financial crime risks.

Refinitiv's digital customer onboarding solution offers a fully configurable user interface, which allows organizations to provide a branded product application process that can be delivered via the web, mobile and via API. Its low-code/no-code requirements mean it can be integrated and deployed within two to six weeks; rapidly accelerating the remote onboarding of new customers for multiple financial products, while providing a world-class user experience.

The solution enables firms to verify an individual's identity information and documents in real time, conduct remote biometric checks, access, and cross reference a series of disparate data sets, such as residential addresses, sanction lists, and to use additional technology to verify bank accounts.

Gareth Walker, Head of Client & Digital Onboarding Solutions at Refinitiv, said, "Refinitiv's digital onboarding solution, built on a modern, extensible platform, delivers a fully configurable product that has a modern, positive end-client experience at the heart of its design, while at the same time meeting the most exacting compliance demands made of businesses today. It also accelerates remote onboarding for activities such as account openings, while maximizing sales conversion rates and supporting top-line revenue growth."

The customer onboarding solution comes pre-integrated within World-Check, Refinitiv's award-winning risk intelligence service, as well as Qual-ID, its digital identity solution and its suite of bank account verification tools provided by GIACT. It is also possible to add on supplemental API services such as geolocation, address checking and mobile verification through the 'plug and play' mode. An "orchestration engine" allows customers to combine know-your-customer, business verification and anti-money laundering data services from both Refinitiv and other service providers in one end-to-end experience.

Ramesh Menon, Global Head of Product, Digital Identity & Fraud Solutions at Refinitiv, said, "We have applied 20-plus years' experience gained in developing customer and third-party screening and related due diligence solutions for the world's leading global banks into the design of our digital onboarding solution. That expertise has enabled us to create a powerful, low-code/no-code solution that meets the unique needs of fast-growing firms."

Refinitiv's digital customer onboarding solution is delivered by the Customer and Third-Party Risk business of Refinitiv, which provides a suite of risk management services to support customers with know-your-customer (KYC), due diligence, digital identity verification and fraud prevention activities. With customers including sell-side financial institutions, buy-side financial institutions and a wide range of corporates, its leading products include World-Check, Refinitiv Due Diligence, Qual-ID, GIACT and GDC.

Source: Refinitiv

MEMBER NEWS

LexisNexis Risk Solutions True Cost of Fraud Study: SNAP Report Reveals Every $1 of Fraud Costs Agencies $3.72

Mobile and Web Channels Drive Increased Bot and Fraud Attacks for SNAP Agencies

LexisNexis® Risk Solutions has released the inaugural edition of the True Cost of Fraud™ Study for Supplemental Nutritional Assistance Program (SNAP) Agencies which surveyed leadership from 74 state and county agencies that administer SNAP across 35 states. The report also explores key indicators related to fraud detection, prevention, and the benefit allocation experience.

In addition to analyzing the cost of fraud, the study explores the time and resources expended by SNAP investigators to prevent attacks and mitigate fraud and analyzes current fraud impacts and trends affecting this critical government

Download a copy of the True Cost of Fraud Study for SNAP. ***Source: LexisNexis Risk Solutions Press Release***

New Zealand's Business Credit Demand down 12% during the June 2022 quarter, Business Loans below 2020 lockdown levels

Equifax NZ Business Credit Demand Index: June Quarter 2022

- Overall business credit enquiries down by -11.9% (vs June 2021 quarter)
- Business loan enquiries decreased by -18.8% (vs June 2021 quarter)
- Trade credit enquiries decreased by -9.0% (vs June 2021 quarter)
- Asset finance enquiries down by -6.6% (vs June 2021 quarter)

Overall business credit demand is down year-on-year for the 4th consecutive quarter and remains below pre-COVID volumes. Business credit demand fell by 11.9% in the June quarter, driven predominantly by business loans but there were declines in all major business credit demand categories. Business loans had the largest decline in commercial demand, with an 18.8% year-on-year fall for the quarter, when compared to the June quarter of 2021. Released today by Equifax New Zealand a global data, analytics and technology company and the leading provider of credit information and analysis in New Zealand and Australia, the Business Credit Demand Index (BCDI) measures credit enquiry volumes for commercial products including asset finance, business loans and trade credit.

Equifax New Zealand Managing Director, **Angus Luffman** said, "With business confidence remaining at lows only seen for short periods of time, in the initial phases of the pandemic and around the GFC, the softness of business credit demand is to be expected." "The uncertainty created by rising interest rates, above target inflation and supply-chain constraints will be impacting business credit demand, but it is the labor supply shortfalls that likely have the greatest impact on investment plans. If businesses struggle to get access to the labor to implement their growth plans, they will limit the capital they allocate and borrow." Luffman continued.

The construction sector particularly felt the disruptive impacts of the current economic conditions, with business loan credit demand down 18.5% for the segment, in the June quarter. "There are multiple forces at play, with build delays arising from COVID, supply-chain constraints and staff sicknesses, all which impact critical stage payments. At the same time, construction consents are at record highs and well above industry capacity to execute." Luffman said

Source: Equifax New Zealand news

MEMBER NEWS

GB Group Expects Half Year Revenue Growth of 22.5%

GBG, (AIM: GBG) the experts in digital location, identity verification and fraud software, provides an update on its trading performance for the six months to 30-09-2022, ahead of releasing its half-year results on 29-11-2022

Overview and performance update: The Group expects to report first half revenue of £133.8 million[1] (1H FY22: £109.2 million), representing growth of approximately 22.5%. Growth in the half year included contributions from the recently acquired Acuant and Cloudcheck businesses. This more than offsets a tough prior period comparative that included a c.£8.8 million benefit from unusually high and non-repeating transaction volumes driven by the US stimulus project and cryptocurrency trading.

Our Location and Fraud segments both performed well with double-digit constant currency growth. In Location, successful cross-sell/up-sell initiatives and increased pricing compensated for lower volumes seen from some eCommerce customers. In Fraud we gained new customers and secured important renewals in APAC and EMEA. There is good momentum in these segments as we enter the second half.

Our Identity segment was particularly impacted by the reduction in activity from cryptocurrency and 'gig-economy' fintech customers in the Americas. Cryptocurrency revenues normalised from the prior year's exceptional levels, but at lower volumes than we had expected, and we anticipate this impact will continue in the second half. Our wider regions and sectors continued to perform well, and we are encouraged by the pipeline of opportunities to offset this impact over the next six months.

We are pleased with our progress to integrate Acuant. Although revenue comparatives are impacted in the period by its own exposure to the reduction in cryptocurrency and fintech volumes, Acuant has enabled cross sell to existing GBG customers and has a good pipeline of new opportunities to support its growth in H2. Our teams have worked at pace to realise the anticipated product and technology benefits throughout the group and as previously announced we have delivered all planned cost synergies. By combining our US sales teams, we are now driving efficiency and accelerating entry into new market segments and expect to see the early benefits of this approach in the second half.

Good progress has been made against our long-term growth strategy, which continues to focus on bringing together our market-leading Location, Identity and Fraud solutions to address the needs of the digital world. We are pleased with how Acuant has strengthened our competitive positioning and customer proposition and remain confident it will make a valuable contribution going forward.

GBG has evolved as a business over the past eighteen months and is now one of the world's leading pure-play identity software providers. Details will be shared at our half year results in November for a Capital Markets event that will take place early in 2023 for investors and analysts. The event will include an update on Acuant and further detail on how we are capitalising on the structural growth opportunities in front of us."

[1)] 1H FY23 reported revenue impacted by a £1.1 million deferred revenue 'haircut', a required acquisition accounting adjustment related to the purchase of Acuant.
[2)] 1H FY22 pro forma underlying revenue of £122.2 million consists of £109.2 million reported revenue, £21.8 million of net revenue from M&A, less c.£8.8 million of non-repeating revenue which includes £1.8 million of exceptional cryptocurrency volume related to Acuant in the pre-acquisition period.

Source: GBG Press Release

MEMBER NEWS

Equifax Q3 2022 Revenue Up 2%

- Strong third quarter 2022 revenue of $1.244 billion, up 2% despite the weak mortgage market and negative impact of foreign exchange
- Strong non-mortgage constant dollar revenue growth of 20% offsetting mortgage market decline
- Workforce Solutions revenue growth of 9%, with non-mortgage revenue growth of 40%
- Strong new product innovation leveraging new EFX Cloud with a Vitality Index of 14%
- Closed the acquisitions of LawLogix, strengthening EWS I-9 Solutions, and Midigator, strengthening USIS Identity & Fraud

"We delivered solid results with third quarter revenue of $1.244 billion, up 2% despite the significant 41% decline in U.S. mortgage credit inquiries. Our non-mortgage business, which is over 78% of Equifax, delivered very strong constant dollar revenue growth of 20%, reflecting broad-based strength across our businesses.

Our largest and fastest-growing business, Workforce Solutions, again powered our results, with total revenue growth of 9%, driven by non-mortgage revenue growth of 40%. International also delivered record revenue with very strong local currency revenue growth of 17%. USIS revenue declined 9%, due to the decline in mortgage revenue. USIS non-mortgage B2B revenue growth was 5% with strong non-mortgage B2B online revenue growth of 9%," said Mark W. Begor, Equifax Chief Executive Officer.

"In October, we have seen further weakening in the U.S. mortgage market and expect that we will now see fourth quarter mortgage originations decline over 60% and mortgage credit inquiries decline over 50%. As we look to our Full Year 2022 guidance, we are maintaining our revenue guidance of $5.1 billion at the midpoint, as our strong double-digit non-mortgage revenue growth, including the addition of our recent LawLogix and Midigator acquisitions, offsets the more negative impact of both the weaker mortgage market and foreign exchange. We are revising the midpoint of our Adjusted EPS guidance to $7.54 per share, a reduction of approximately $0.13 per share, principally reflecting the negative margin impact of the loss of high margin mortgage revenue as well as increased interest expense."

"We are confident in the future of the New Equifax as we deliver strong, double-digit non-mortgage growth, make strong progress on our EFX Cloud transformation, leverage our new Cloud capabilities to accelerate new product roll-outs, and invest in new product and data and analytics capabilities to drive future growth. We closed the acquisitions of LawLogix and Midigator, our 11th and 12th bolt-on acquisitions since January 2021, which will strengthen our EWS I-9 Solutions business and our USIS Identity & Fraud business. We continue to reinvest to broaden our capabilities and position Equifax for strong future growth. We are energized about the future of the New Equifax as a data, analytics and technology business and our ability to deliver higher margins and free cash flow."

Financial Results Summary: The company reported revenue of $1,244.3 million in the third quarter of 2022, up 2 percent compared to the third quarter of 2021 on a reported basis and 4 percent on a local currency basis. Net income attributable to Equifax of $165.7 million was down 19 percent in the third quarter of 2022 compared $205.4 million in the third quarter of 2021. Diluted EPS attributable to Equifax was $1.34 for the third quarter of 2022, down 19 percent compared to $1.66 in the third quarter of 2021.

To be continued on next page

MEMBER NEWS

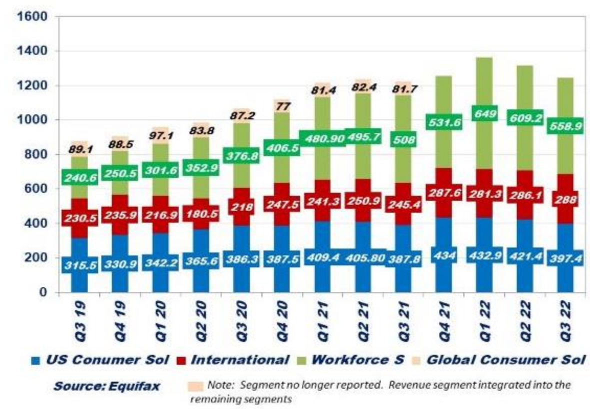
Equifax Q3 2022 Revenue Up 2% - Continued from previous page

Workforce Solutions third quarter results

- Total revenue was $558.9 million in the third quarter of 2022, a 9 percent increase compared to the third quarter of 2021. Operating margin for Workforce Solutions was 41.3 percent in the third quarter of 2022 compared to 49.4 percent in the third quarter of 2021. Adjusted EBITDA margin for Workforce Solutions was 49.5 percent in the third quarter of 2022 compared to 53.9 percent in the third quarter of 2021.
- Verification Services revenue was $454.5 million, up 13 percent compared to the third quarter of 2021.
- Employer Services revenue was $104.4 million, down 7 percent compared to the third quarter of 2021.

USIS third quarter results

- Total revenue was $397.4 million in the third quarter of 2022, down 9 percent compared to $437.7 million in the third quarter of 2021. Operating margin for USIS was 20.6 percent in the third quarter of 2022 compared to 29.2 percent in the third quarter of 2021. Adjusted EBITDA margin for USIS was 34.1 percent in the third quarter of 2022 compared to 38.8 percent in the third quarter of 2021.
- Online Information Solutions revenue was $314.4 million, down 6 percent compared to the third quarter of 2021.
- Mortgage Solutions revenue was $32.1 million, down 31 percent compared to the third quarter of 2021.
- Financial Marketing Services revenue was $50.9 million, down 8 percent compared to the third quarter of 2021.



International third quarter results

- Total revenue was $288.0 million in the third quarter of 2022, up 6 percent and up 17 percent compared to the third quarter of 2021 on a reported and local currency basis, respectively. Operating margin for International was 14.8 percent in the third quarter of 2022, compared to 12.0 percent in the third quarter of 2021. Adjusted EBITDA margin for International was 26.8 percent in the third quarter of 2022, compared to 26.7 percent in the third quarter of 2021.
- Asia Pacific revenue was $87.1 million, down 2 percent and up 6 percent compared to the third quarter of 2021 on a reported and local currency basis, respectively.
- Europe revenue was $80.7 million, up 6 percent and up 24 percent compared to the third quarter of 2021 on a reported and local currency basis, respectively.
- Canada revenue was $66.2 million, up 9 percent and up 12 percent compared to the third quarter of 2021 on a reported and local currency basis, respectively.
- Latin America revenue was $54.0 million, up 21 percent and up 34 percent compared to the third quarter of 2021 on a reported and local currency basis, respectively.

Source: Equifax Earnings Release

INDUSTRY NEWS

Dun & Bradstreet Hong Kong Collaborates with the Hong Kong Banking Sector

Dun & Bradstreet Hong Kong Collaborates with the Banking Sector to Support SME Lending Market Through Commercial Data Interchange

Dun & Bradstreet Hong Kong, a leading global provider of business decisioning data and analytics, welcomes the Hong Kong Monetary Authority's (HKMA) announcement of the launch of the Commercial Data Interchange ("CDI") which is built for Hong Kong's next-generation financial data infrastructure.

As the sole operator of the Commercial Credit Reference Agency ("CCRA") in Hong Kong since 2004, appointed by the Hong Kong Association of Banks under the industry initiative supported by the HKMA, Dun & Bradstreet Hong Kong will also participate as one of the key data providers of CDI. In addition to providing CCRA-originated credit reference data, the new platform also has the potential to deliver data and data analytics from alternative data sources. By linking the CCRA database with the CDI, it enables banks and other CCRA members to quickly access and factor additional data-points into their decision-making processes, which in turn helps reduce risk and boost efficiency in both products and outcomes.

Mr. **Andrew Wu**, Managing Director, Dun & Bradstreet China - Mainland and Hong Kong SAR commented: "Dun & Bradstreet Hong Kong is fully committed to its ongoing collaboration with the CDI to support further acceleration and upscaling of credit risk assessment processes, which will be benefit financers in Hong Kong's SME lending market."

Mr. **Howard Lee**, Deputy Chief Executive of the Hong Kong Monetary Authority, said, "This year, along with the production launch of the CDI, we are delighted to see the CDI ecosystem continues to flourish with the participation of new data providers. This further enriches the data spectrum on CDI, encourages more collaborations between various stakeholders and the banking sector to develop innovative applications and offer better and more efficient banking services to their customers, co-develops a data-centric digital economy, and promotes financial inclusion."

The Commercial Data Interchange and Commercial Credit Reference Agency

A core element of the HKMA's "Fintech 2025" strategy, the new consent-based CDI platform, will measurably enhance banking and financial service efficiency via a revolutionary new financial data infrastructure platform. Instead of multiple one-to-one connections between banks and sources of commercial data each individual bank and data provider will now link to the CDI via a single connection. Data sharing will thus become more secure, efficient, and scalable. With unprecedented levels of connectivity and data accessibility facilitated by the CDI, it significantly enhances the efficiencies of the existing Hong Kong government-regulated CCRA database.

The speedy and safe sharing of reliable commercial data is critical in assessing customers' credit risk. By linking the CCRA to the CDI, it will streamline the accessing of credit data via Application Programming Interfaces ("APIs") and will make data sharing more secure, efficient, and scalable than ever before. The CDI will also help reduce human errors. By fueling up-to-date, relevant, and authenticated business data, it will further accelerate and upgrade credit risk assessment processes, delivering huge benefits for financers in the SME lending market ***Source:*** ***Asiaone.com***

METAVERSE & CYBER SECURITY

Partner Contribution: The Metaverse - A Reality Check

From virtual meetings to immersive 3D customer experiences, or even property tours, the Metaverse will transform the way that companies operate. Gartner predicts that by 2026, a quarter of us will spend at least one hour a day in the Metaverse for work, shopping, education, social media and/or entertainment.

Some brands are already there today, such as Nike and Coca-Cola, who are using it to drive brand awareness and the purchase of physical products. It's easy to see why more and more companies will start to do business there. But are they thinking about the risks? We will certainly need a different approach to security in a virtual world compared to the physical, but what will that entail? Let's take a look at what the risks are and how to start getting prepared, because you do need to start now.

The biggest hurdle to the Metaverse being a secure environment is in its foundations. The Metaverse is built on blockchain technology and we have already seen serious security gaps in crypto currency marketplaces and blockchain platforms. Due to the sheer amount of malicious activity exploiting services based on the blockchain it won't be long before initial attacks in the Metaverse begin.

This will likely be based on authorization in which user accounts will be hijacked, with identity and authentication being the critical attack vectors. For example, some people might want to have multiple identities within the Metaverse, perhaps one for transacting work conversations and another for personal shopping and entertainment. This adds another layer of complexity as there's then no single identity that can verify it's definitely you.

The answer could be in 'chained identity' - using blockchain to confirm who we are transacting with - although this is a major challenge, since blockchain technologies are decentralized and unregulated, which makes things like policing the theft of virtual assets or preventing money laundering very difficult.

Redefining Reality

Another key security challenge is in the safe spaces needed to conduct business. Imagine you're on a Zoom or Teams call. It's a private meeting space - but what will that be like in the Metaverse? How do we know that a chair someone is sitting on isn't actually an avatar and we have an impostor in our midst? You may think that would be impossible, but it's a virtual world. Of course, it can.

We need to be able to discern between what's real and what's fake and having a safe space to meet and transact will be crucial.

When the Internet first came out, threat actors exploited the average human's unfamiliarity with the tech by creating malicious sites that impersonated banks to obtain financial details. Phishing scams like this still occur, albeit we now see more sophisticated forms of social engineering. The Metaverse is like a whole new Internet, and you can guarantee that people's unfamiliarity with it, both businesses and consumers, will be exploited.

Interestingly, every transaction that happens on the blockchain is fully traceable, so this will become far more important, especially when it comes to having an audit trail of what has been discussed and any decisions made in a business context. But that leaves a question over how that information is taken from the virtual world to the physical.

CYBER SECURITY INTELLIGENCE
Captured, Organized & Accessible

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METAVERSE AND CYBER SECURITY

Partner Contribution: The Metaverse - A Reality Check – Continued from previous page

Are contracts going to be legally binding in the Metaverse? Or will they need to be brought into the physical world to be signed and then pushed back in? How will that be done securely?

Researchers have discovered security gaps within blockchain and crypto projects which are part of the Metaverse. The vulnerabilities that been exploited by cybercrime are focused on vulnerabilities with smart contracts that allows hackers to exploit and drain crypto platforms and around application vulnerabilities inside blockchain platforms that allows hackers to attack through the platforms and hijack users' wallets balance.

There is a danger that we rush headlong into the Metaverse without considering these types of implications. A lot of the concerns around security in the Metaverse are **exacerbated by the huge skills shortage** in the cybersecurity sector. According to the **2021 (ISC) Cybersecurity Workforce Study**, there is a shortage of 3 million cyber security professionals and the current global cyber workforce needs to grow by 65% to effectively defend organizations' critical assets. That percentage is likely to be a lot higher if we also consider the new virtual world. Is it worth it?

Other cyber security risks within the Metaverse abounds such as cyberattacks via the use of vulnerable AR/VR devices, as an entryway for evolving malwares and data breaches. These devices inherently collect large amounts of user data and information such as biometrics, making it attractive to hackers. Concerns around data privacy are also a growing voice amongst Metaverse sceptics, with additional data being collected through avenues like Second Life, potentially violating user privacy.

You might wonder why bother if there are so many risks involved? But it is absolutely worth putting the time in now, to get ready for moving across to the Metaverse. Any company that doesn't, may find itself in a place where it's playing catch up and potentially losing out on business or engaging in processes that put the business at risk. Organisations will need to be much more reliant on their partners around the world to help mitigate risk, as this is very much a global phenomenon. But there will always be some risk and for those that get it right, there will be hug rewards.

Top Metaverse Security Considerations

1. It's coming. You can't put your head in the sand and pretend that it isn't. Business leaders and security professionals need to talk about it and understand what it might mean for them. Understand the landscape by looking at what competitors are doing in that space.

1. Have a look at how you are currently running services now in the physical world and understand if these services map in any way to the Metaverse. You may find that some of them don't and aren't even secure in this world, such as mobile devices, tablets, cloud and multi-cloud.

2. Understand how to get your identification and authentication done correctly. The answer to that isn't just having a password or two factor authentication. Companies need to really start upping their game around these two issues. People tend to do things without thinking about security, whereas they should be thinking of security first.

Businesses won't be able to do it themselves, it will take a great deal of partnering with organisations that work within that space. The Metaverse will hit everyone, and there's no denying that mistakes will be made, similar to those that were made in the early days of the Internet. Source: Cyber Security Intelligence

METAVERSE AND FACEBOOK

Will the Metaverse be Facebook's Undoing?

An avatar of Meta CEO Mark Zuckerberg speaks during the virtual Meta Connect event in New York, on Oct. 11, 2022.

Mark Zuckerberg's big bet on virtual worlds was supposed to help his company dominate the next era of computing. He was so sure of his vision that in 2021 he changed the company's name from Facebook to Meta and adopted the ticker symbol META as a nod to the metaverse he believes we will all soon inhabit. Barely a year later, Zuckerberg's bet looks set to bring about the company's downfall.

Jeff John Roberts (Fortune) covered tech earnings for 12 years but can't recall a horror show like what took place on Wednesday Oct. 26th when Meta announced third-quarter results. While the company is still making a profit, the market retched at the news Meta will lose more than $10 billion this year alone on Reality Labs—the unit devoted to VR and the metaverse—and that it plans to double down and spend even more on the unit in 2023.

Meta lost 25% of its value and, after years as one of the five most valuable companies in the world, is now barely among the top 30. Analysts didn't mince words. As "IBM symbolizes dinosaur tech 1.0…so Meta faces the risk of being the next-generation fossil," said one, while another tech watcher quipped "Facebook stock price has no legs to stand on"—a jab at the company's widely mocked legless avatars.

Meanwhile, a tech columnist declared that "Mark Zuckerberg is going to kill his company," and predicted Meta will introduce even more annoying advertising to its core products, Facebook and Instagram, in order to keep paying for the CEO's metaverse ambitions.

All of this also raises the question of whether the much-hyped idea of the metaverse itself is doomed to fail. If a tech giant like Facebook can't figure out the platform even after investing tens of billions of dollars, how is a blockchain startup supposed to solve it?

Jeff John Robert's view is that the problem is less the metaverse itself (though the tech has a long way to go) but rather Zuckerberg's vision. Instead of building a platform based around the decentralized ideals of Web3, the Facebook CEO set out to build a walled garden where he could have control over every element of the experience. In Zuckerberg's conception of the metaverse, his company is a gatekeeper and tax collector—the same mentality that informs the original Facebook, and one that consumers are increasingly rejecting. His decision to double down on that vision will only accelerate his company's decline. **Source: Jeff John Roberts** (jeff.roberts@fortune.com)

One thing that became clear in this past week's terrible tech earnings is that Mark Zuckerberg already lives in the metaverse. At the very least, it seems that the Meta Platforms META +1.29% CEO has established residence in an alternative reality where investors blindly follow founder-CEOs wherever they go, no matter the cost or odds of success. However here in the real world, Zuckerberg is destroying shareholder value and his own reputation. Investors have had enough, but Zuckerberg maintains voting control of the company he started. There is no way to stop him. ***Source: Barron's***

CREDIT BUREAU NEWS

Recent TransUnion's Consumer Pulse Studies

TransUnion's Philippines Pulse Study: More Filipinos Spending Less, Expect Financial Difficulties. The Q3 2022 TransUnion Consumer Pulse Study reported that more than half (54%) of Filipinos said they have also cut back on discretionary spending (such as dining out, travel and entertainment) over the last three months.

In fact, most Filipinos (76%) agreed the economy is either already in a recession or will enter one by the end of 2023, while almost half (44%) cited inflation for everyday goods as their biggest concern affecting their household finances for the next six months.

According to the Philippine Statistics Authority (PSA), inflation increased to 6.9 percent in September, up from 6.3 percent in August, as food and energy costs continue to increase. The hike may push the central bank to further increase rates and borrowing costs for businesses and consumers. ***To read the full story click here.***

TransUnion's United Kingdom Pulse Study: TransUnion recently hosted its UK Summit, bringing together leading names from banking, fintech and more, to discuss tackling the cost of living crisis, financial inclusion and next generation lending. TransUnion's latest Consumer Pulse highlighted the impact the current economic picture is having on spending. Nearly six in 10 consumers say they've decreased discretionary spend over the last three months, with the same proportion (58%) intending to make further reductions in the three months ahead. Many (62%) plan to shift their spending toward utility bills and credit card payments instead. **TransUnion's Consumer Pulse Q3 2022 UK Study, based on a survey of 1,005 UK adults from 19 Aug.–29 Aug. 2022**

To read the full story click here

TransUnion Climbs to No. 12 in the Latest IDC FinTech Rankings

TransUnion (NYSE: TRU) has announced that it is ranked #12 on the 2022 IDC FinTech Rankings, continuing a steady ascent up the IDC rankings in recent years.

The Fortune 500-style ranking categorizes and evaluates the top global providers of financial technology based on calendar year revenues from financial institutions for hardware, software and/or services. FinTech providers supply the technological backbone of the financial services industry, an industry in which IDC forecasts worldwide spending on IT across the globe to be $590 billion (USD) by 2025. TransUnion ranked #16 on the prestigious list last year.

TransUnion is a FinTech industry leader on the forefront of lending innovation, providing solutions that allow FinTech lenders to find and make uniquely tailored offers to more consumers. TransUnion's unique fusion of FCRA-compliant trended credit and alternative data, in addition to traditional credit data, offers FinTechs deeper consumer insights and a more precise view of lending risk. The information helps FinTechs incubate, diversify, and accelerate growth by turning data into action. And TransUnion continues to innovate and expand offerings for FinTech through its recent acquisition of Neustar, whose distinctive data and digital resolution capabilities will further enable safe and more personalized online experiences for consumers and businesses.

IDC Financial Insights publishes a comprehensive report about the year's findings that is available to view or download here. ***Source: TransUnion Press Release***

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CREDIT BUREAU NEWS

HSBC and Nova Credit Launch Partnership to Offer Customers Borderless International Credit Checking

Nova Credit, the world's leading consumer-permissioned credit bureau, today announced that it has partnered with HSBC to provide the bank with global access to its cross-border credit data product, Credit Passport®, creating more opportunities for credit access to cross-border customers across the globe.

NOVA
www.neednova.com

This partnership will allow HSBC to access the translated credit history of new-to-country consumers as part of their credit applications, upon their permission. This innovative solution will enable the bank to make more real-time application approvals responsibly and at a greater scale. The first deployment, with HSBC Singapore, launched in May. To underscore its support in Nova Credit and accelerate its global expansion, HSBC Ventures has made an investment of $10 million in the company. HSBC Singapore is the first HSBC entity to launch the capability as part of the bank's global rollout, also making it the first organization ever to implement Credit Passport® outside of the U.S., enabling it to instantly access the translated credit history of new-to-country consumers moving to Singapore, facilitating quicker access to credit for them.

Nova Credit and HSBC Singapore will initially use Credit Passport® to support the thousands of new to Singapore customers with credit history in India. The bank intends to expand the coverage of the solution to include customers with a credit history in Australia, the United Kingdom and the Philippines in 2022, and to more country bureaus in 2023, making it available to even more Singapore newcomers. ***To read the full story click here***

CIC IS PROMOTING GREATER CREDIT MARKET EFFICIENCY, FINANCIAL INCLUSION IN 2ND PH CREDIT EXPO

The Credit Information Corporation (CIC), the country's sole public credit registry and repository of credit information, has conducted its second virtual credit expo, titled, "Creating Tomorrow: Credit in the Digital World," on 27-28 October 2022. The credit expo will be in two half-day morning sessions, the first day's program was for financial institutions covered under the Republic Act No. 9510 (CISA), while the second day was for the general public.

"In this year's expo, we underscored how financial institutions and borrowers benefit from a mainstreamed credit reporting system — through CIC as the country's public credit registry," CIC President and CEO **Ben Joshua A. Baltazar** said.

He added that through the utilization of CIC Credit Reports in credit-decisioning, especially now that the country is continuously moving towards digital finance, financial institutions will be able to calibrate the price of credit appropriately to the risk and maximize potential profits. And at the same time, this contributes to lowering the incidence of over-indebtedness which in turn fosters a culture of responsible borrowing for both individuals and MSMEs.

To date, there are 739 submitting entities (SEs) in production or financial institutions submitting actual credit data of their borrowers to the CIC. This information comprises the CIC database which now covers 35 million data subjects or approximately 50 percent of the Philippines' adult population. The PCEO said that the SEs are highly encouraged to go beyond mere compliance and apply as an Accessing Entity (AE) so that they can start tapping into the CIC's pool of consolidated credit data. ***To read the full story of the announcement click here***

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CREDIT BUREAU NEWS

Credit Bureau Cambodia Keeps Credit Data of over 7M Customers

The 10th anniversary of the independent financial information provider Credit Bureau (Cambodia) Co Ltd (CBC)'s establishment on September 30. CBC

Independent financial information provider Credit Bureau (Cambodia) Co Ltd (CBC) now maintains the credit data of more than seven million customers in its core system, 10 years after its establishment, according to its chairwoman Chea Serey.

CBC has been key in the organisation of Cambodia's financial data infrastructure and aims to support member banks and financial institutions in promoting transparency and efficiency in the credit market, said Serey, who doubles as the assistant governor of the National Bank of Cambodia (NBC). She was speaking at a September 30 event marking the 10th anniversary of the CBC's establishment. Of note, the Ministry of Commerce's business registry shows that the financial information provider was incorporated on November 29, 2011. Without the CBC, banking and financial institutions in Cambodia on the whole would face notably higher operating costs and lack important information on borrowers, resulting in greater credit risks, she claimed, stressing that comprehensive and transparent credit information is the top priority for risk management and financial stability.

The firm's credit sharing system is available for banking and financial institutions to monitor loan risks and overall credit pressure and serves as a tool for the NBC to better understand the national lending landscape and its associated risk profile, so as to take timely and effective measures to avoid and minimise potential adverse effects, according to Serey.

"The CBC presents a very secure, transparent and accountable credit information sharing system that really helps to make the financial credit market more favourable, by reducing loans made with a lack of information on borrowers.

"The CBC has contributed significantly to the growth of the financial sector and the credit market, not only that, but it has helped Cambodians access credit from a wider range of sources and further prosper year after year. The CBC not only maintains negative credit history information, but also the positives, to encourage borrowers to use credit responsibly," she said.

Speaking at the same event, NBC deputy governor Ouk Maly commented that, as a major component of the financial infrastructure, the CBC's credit sharing systems are crucial in supporting responsible, efficient and equitable lending, reducing credit risks for banking and financial institutions, and fostering financial inclusion in Cambodia.

Source: *The Phnom Penh Post news*

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