

Trading History Product Guide

External

August 2013

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Background

The Trading History suite of products was launched in January 2005 and provides a combined view of an entity and the people behind the entity. In the past customers would have to order multiple reports and trawl through each report in order to be able to understand the various links. The Trading History products bring the right reports together and provide customers with a summary of the combined reports.

30th January 2012 saw the introduction of the Personal Property Security Register (PPSR). The PPSR is the national register of security interests replacing 24 state based registers. ASIC will no longer hold charges information resulting in the need for Veda to include a PPSR search in the relevant Trading History products to provide this important information. Customers are able to 'opt out' from receiving this information if required but it is recommended that this search be included in any credit assessment of an organisation.

November 2012 saw the upgrading of Trading History reports to include scores, a new look and feel, new summary pages, and new data elements into the reports. We also incorporated the information from the ASIC extract into the body of the reports.

In August 2013 Trading History reports were enhanced to include trade payment data, PPSR filter functionality, ASIC document ordering facility, and improved style and navigation aids.

Product Overview

Trading History reports offer powerful insights into the people behind the organisation providing greater information to support decision making and help reduce risk. By combining commercial and consumer (with consent) information, along with third party data, Trading History reports provide a high level of information in just one report. Trading History reports also provide a score on the enquired upon entity's Veda bureau file, along with scores on the directors or proprietors of that entity. This score is derived from information on a company or business credit report as held by Veda as well as the business owner or director's credit report as held by Veda, and for In-Depth Trading History the Veda credit reports of any other company or business they may be involved in or may have previously been involved in.

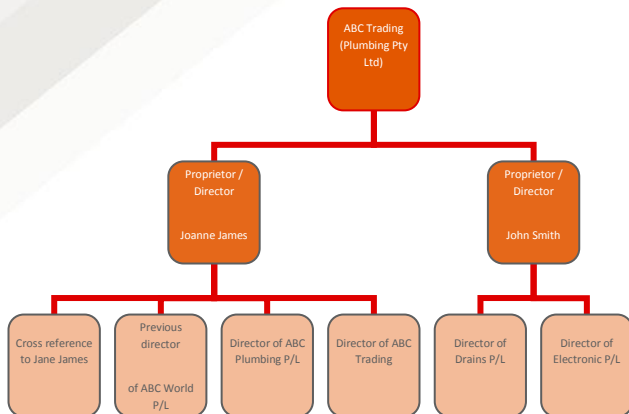
Trade payment data in Trading History reports provides superior insights into customer payment behaviour helping you to make more intelligent credit management decisions. It shows trends and changes in customer payment patterns, and provides analysis, trends and insights into customer payment behaviour and risk.

For further details on the scores used in Trading History reports, please see the related document titled Commercial Trading History Score Product Guide.

Types of Trading History Reports

NB: Individual Trading History reports not depicted in this diagram.

Entity Trading History Reports Available:



Access a Full Trading History Report on business and a full report on each proprietor of the business	Business Trading History
For a company, option for an ASIC current & historical Extract	Company Trading History
Full report on each director of the company (to maximum of 20)	In-depth Company Trading History
Full report on each director's' previous business relationships (maximum of 20 directors)	

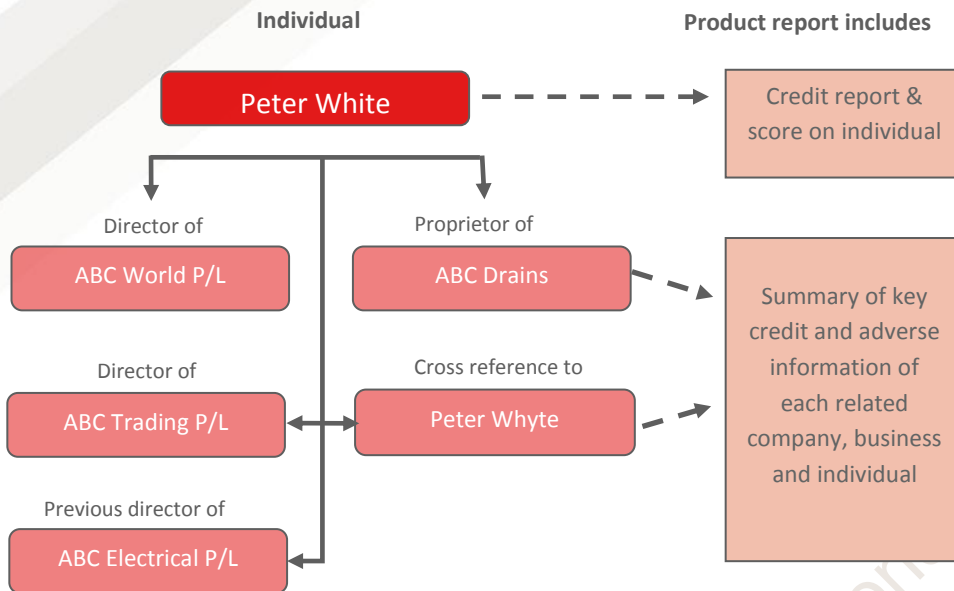
Veda retains information on its credit reporting database for varying periods of time as set out below:

- Credit Enquiries – 5 years
- Payment Defaults – 5 years
- Court judgements – 5 years
- Bankruptcy and clearout information – 7 years
- Court Writ and Summons information – 4 years
- Previous Directorship and External Administration details – 10 years
- Disqualified Directors – for the term of the disqualification plus 5 years

All files are automatically scanned each month and information is systematically purged in line with the above time periods.

Individual Trading History (Commercial and Consumer) – new versions available 2014

An Individual Trading History report provides information about the people behind an entity eg Directors and Sole Traders, with details of their past and present business interests, applications for credit and adverse listings as recorded on Veda's credit reporting database.



Individual Trading History (Consumer / Commercial) – new version available 2013		
Code	Description	Data Components
016, 015	<p>Individual Trading History (Links)</p> <p>Provides a score as well as summary of information on an individual's credit file as well as the file. It also provides a summary of key credit and adverse information on organisations of which the individual is a director or proprietor. Individual Commercial Trading History reports help credit providers to find out more about the people behind the business they are about to deal with. These reports provide a deeper view an individual's background (with prior consent) helping the credit provider to make a more informed decision prior to offering credit.</p> <p><i>*Consumer information is only provided when the subscriber advises Veda that they have the individual's consent</i></p>	<ul style="list-style-type: none"> ▪ Individual Enquiry (Commercial, Consumer or Commercial + Consumer) <ul style="list-style-type: none"> ○ Individual Identity ○ Individual Commercial and/or Consumer Summary; ○ Commercial Credit History and/or Consumer Credit History ○ Public Record Information ○ Business Relationships ○ File Notes ○ Cross Ref to other files ○ Other possible matching files ▪ Co/Business Enquiry <ul style="list-style-type: none"> ○ Business or Co. Identity ○ Business or Co. Summary ○ Credit History ○ Public Record Details ○ Org & Management structure ○ File Notes

		<ul style="list-style-type: none"> ○ File Messages ▪ Individual Enquiry (Commercial, Consumer or Commercial + Consumer) ▪ Business Relationship and summary information for each proprietorship and/or directorship (up to 20)
025, 026	<p>Individual Trading History (No Links)</p> <p>As above, however no business relationships.</p>	<p><i>Customers don't actively choose this option. A "No Links" product is returned when a customer orders an Individual Trading History, but there are no links on the bureau.</i></p>

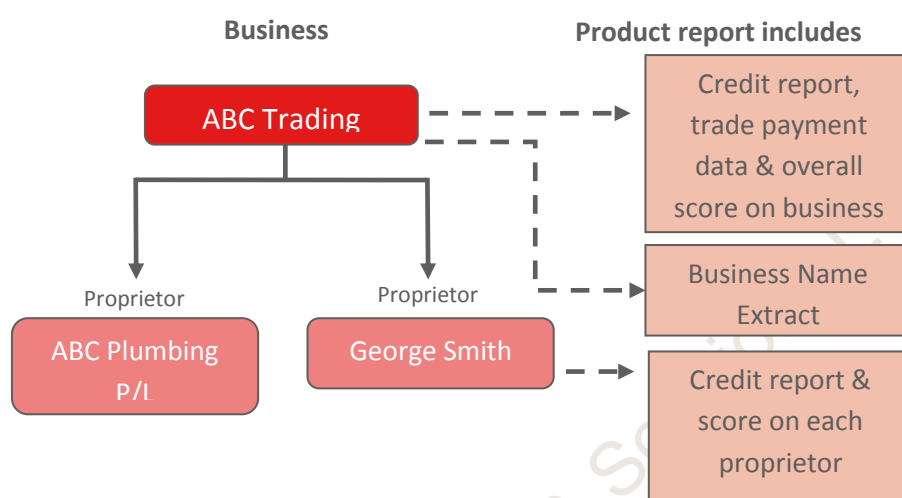
The maximum number of links that may be returned can be up to 20 at any one time. Links are ordered by the following hierarchy:

1. Directorships processed by most recent appointment date
2. Previous directorships processed by most recent cease date
3. Proprietorships processed by most recent appointment date

NB: Cross References are not included in the link limit count

Business Trading History

A Business Trading History report provides you with information and scores on a business and its proprietors, and lists the business relationships of the proprietors. It includes trade payment information on the business when available.



Business Trading History		
Code	Description	Data Components
013, 022	<p>Business Trading History</p> <p>Returns a credit report of credit and public information of the business as held on the Veda database, a credit report on the proprietors, and summary information on the proprietors' business relationships. It also provides a score on the business and each proprietor specifying the likelihood of an adverse event occurring on the business's Veda bureau file in the forthcoming 12 months. Proprietor scores will be included as factors in the overall Business score found in the Summary section of the report.</p> <p>Trade payment data provides information about how an entity services their credit, by analysing the lines of credit the entity has with contributors to</p>	<ul style="list-style-type: none"> ▪ Business Name Extract ▪ Commercial Credit Risk score ▪ Business Enquiry <ul style="list-style-type: none"> ○ Business Identity ○ Business Summary ○ Credit History ○ Public Record Details ○ Org & Management structure ○ File Notes ○ File Messages ▪ Trade Payment data <ul style="list-style-type: none"> ○ Payment Performance summary ○ Late payment details, comparing the entity with tire industry

	<p>Veda's trade payment exchange programme, Debtor IQ.</p> <p><i>*Consumer information is only provided when the subscriber advises Veda that they have the individual's consent.</i></p>	<ul style="list-style-type: none"> ○ Payment history by size of Debt ○ Payment History by Period ○ Detailed Payment references ▪ Australian Tax Office information on GST and ABN Status ▪ ANZSIC Industry Code classifications ▪ Co Enquiry (if Co. proprietor) <ul style="list-style-type: none"> ○ Company Identity ○ Company Summary ○ Credit History ○ Public Record Details ○ Org & Management structure ○ File Notes ○ File Messages ▪ Ind Commercial or Ind Commercial + Consumer Enquiry (if individual proprietor) <ul style="list-style-type: none"> ○ Individual Identity ○ Individual Commercial & Consumer Summary ○ Commercial Credit History ○ Consumer Credit History ○ Public Record Information ○ Business Relationships ○ File Notes ○ Cross Ref to other files ○ Other possible matching files ▪ Business Relationship for each proprietor
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The maximum number of proprietors that can be returned is up to 20 at any one time. Links are ordered by the following hierarchy:

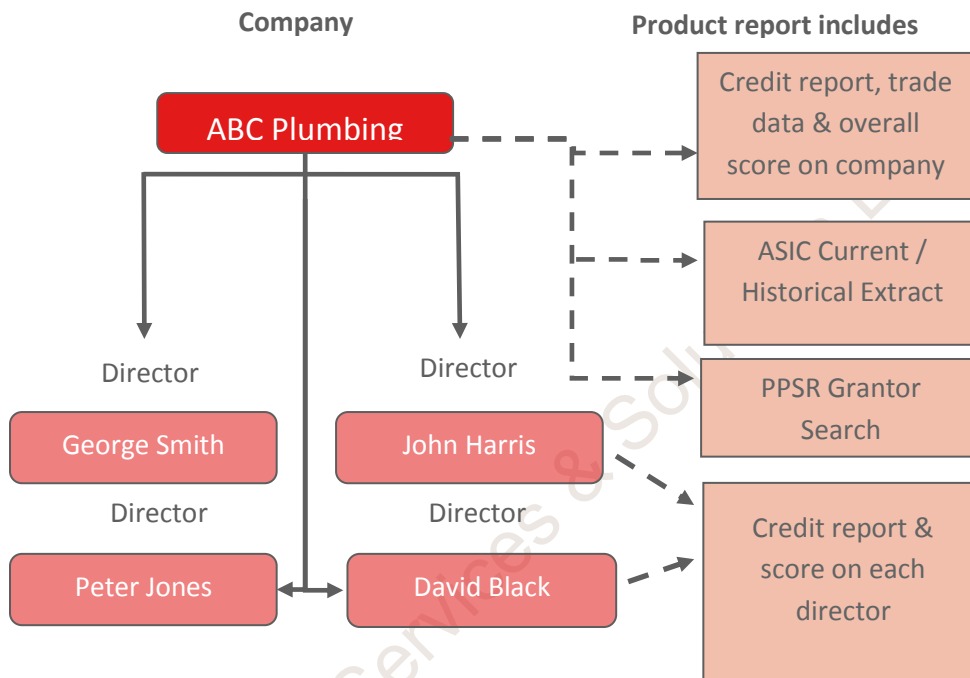
1. Proprietors where a match was found from the Client Input data
2. Proprietors should be processed by most recent appointment date

NB: Proprietor details, input by the client, that cannot be matched in Veda's database are not included as part of the limit

NB: Cross References are not included in the link limit count

Company Trading History

A Company Trading History report provides a score and credit report of a Company. Company Trading History also provides a score and report for each director (up to 20), and lists the business relationships of those directors. It includes trade payment information on the business when available.



Company Trading History		
Code	Description	Data Components
017, 023	<p>Company Trading History</p> <p>Company Trading History Reports provide you with information on a company, its directors and lists the business relationships of its directors.</p>	<ul style="list-style-type: none"> ▪ ASIC Extract (<i>On-file rules</i>)* <ul style="list-style-type: none"> ○ Current <u>or</u> ○ Current & Historical ▪ Commercial Credit Risk score ▪ Trade Payment data

<p>Contains a report of credit and public information of the company as held on the Veda database, a credit report of commercial credit and optionally consumer credit information (with prior consent) plus public information for each director (up to 20) & summary information on the directors' business relationships. It also provides an overall score on the company which predicts the likelihood of an adverse event, or company failure, occurring on the company's Veda bureau file in the forthcoming 12 months. Further, the report will contain a score on each director. The director scores predict the likelihood of an adverse event being recorded on the relevant director's Veda bureau file in the next 12 months. Director scores will be included as factors in the overall Company score found in the Summary section of the report.</p> <p>If you are enquiring on a limited or incorporated company with 5 or more Directors, the score will not return a percentage likelihood of failure.</p> <p>Trade payment data provides information about how an entity services their credit, by analysing the lines of credit the entity has with contributors to Veda's trade payment exchange programme, Debtor IQ.</p> <p>*Consumer information is only provided when the subscriber advises Veda that they have the individual's consent.</p> <p>Note: PPSR Grantor Search is on ACN. Links against the ABN and Name in the Report will enable extra PPSR Grantor Searches to be requested if required.</p>	<ul style="list-style-type: none"> ○ Payment Performance summary ○ Late payment details, comparing the entity with their associated industry ○ Payment history by size of Debt ○ Payment History by Period ○ Detailed Payment references ▪ Australian Tax Office information on GST and ABN Status ▪ ANZSIC Industry Code classifications ▪ PPSR Grantor Search on subject entity (note extra fee applies) ▪ Company Enquiry on entity (up-to-date) <ul style="list-style-type: none"> ○ Company Identity ○ Company Summary ○ Credit History ○ Public Record Details ○ Org & Management structure ○ File Notes ○ File Messages ▪ Ind Commercial or Ind Commercial + Consumer Enquiry (per Director up to 20) <ul style="list-style-type: none"> ○ Individual Identity ○ Individual Commercial; or ○ Individual Commercial and Consumer Summary ○ Commercial Credit History; or ○ Commercial and Consumer Credit History ○ Public Record Information ○ Business Relationships ○ File Notes ○ Cross Ref to other files ○ Other possible matching files ▪ Business Relationship summary for each director
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Subscribers: A maximum of 20 directorships can be entered by subscribers for a Company Trading History.

Output: The maximum number of directors that can be returned is up to 20. Links are ordered by the following hierarchy:



1. Directors where a match was found from the Client input data
2. Directors are processed by most recent appointment date.

NB Client input data where a match was not found is not included as part of the limit, but should be displayed/returned

NB: Cross References are not included in the link limit count

The maximum number of business relationships to be returned who are associated with a director can be up to 20 in the following hierarchy:

1. The 20 most recent relationships for each director
2. Relationships to be listed in the following order: current directorships, current proprietorships, previous directorships
3. Display the most recent appointment date

***ASIC On-file rules**

An on-file ASIC Extract is utilised when the ASIC information held on the bureau meets the following criteria:

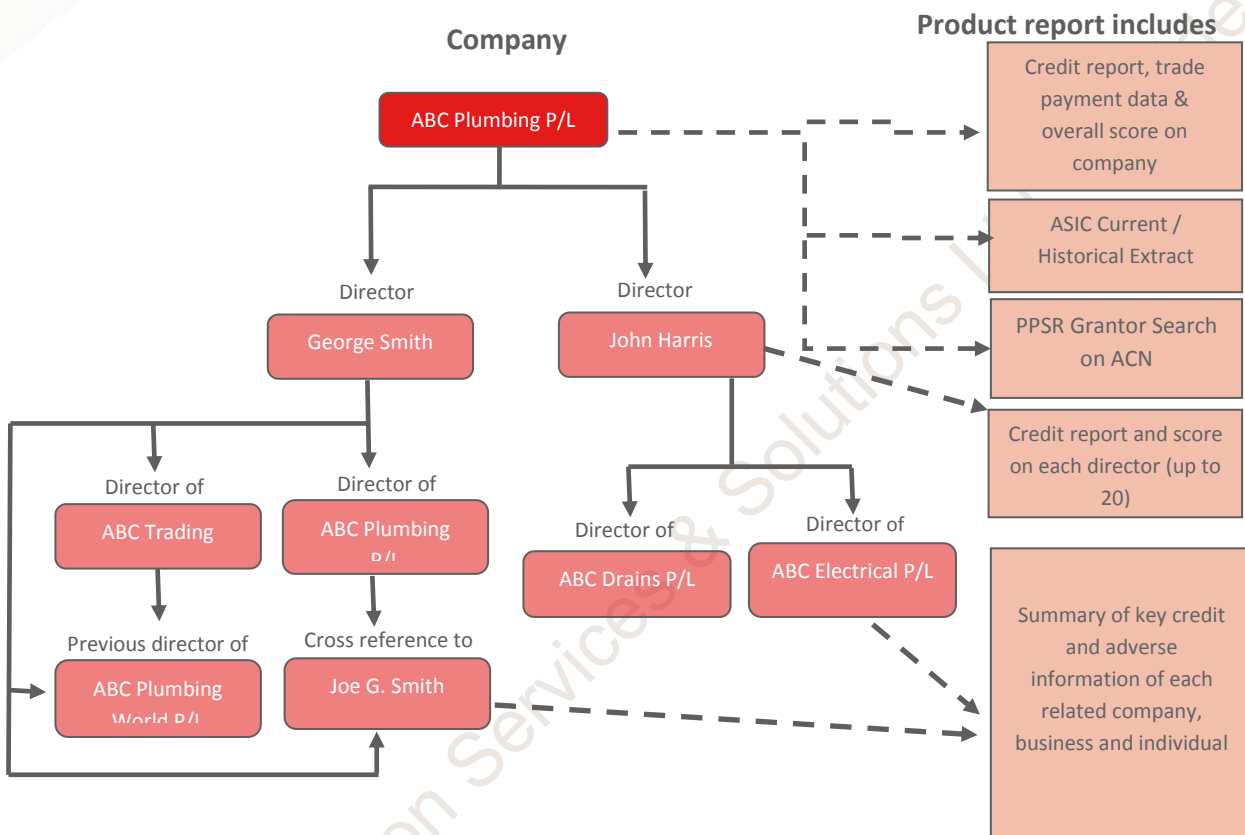
- ✓ *No documents have been lodged since the last ASIC search date*
- ✓ *The last search date is less than 12 months*

Note: any charges information appearing in on-file ASIC Extract will have moved to PPSR post 30th Jan 2012.

Where the above criteria are not met a fresh extract is purchased from ASIC for use within the report.

In-depth Company Trading History

In-depth Company Trading History reports provide key credit and adverse information and scores on a company plus key credit and adverse information and scores on each director, along with a summary of key credit and adverse information on each director's other business relationships. It includes trade payment information on the business when available.



In-depth Company Trading History		
Code	Description	Data Components
020, 028	<p>In-depth Company Trading History</p> <p>Provides a report of credit and public information of the company as held on the Veda database, a full report of commercial and optionally consumer credit information plus public information for each director, a relationship summary table for each director (up to 20) showing key credit and adverse information and a summary of key credit and adverse information on each director's business relationships. It also provides an overall score on the company, specifying the likelihood of an adverse event, or company failure, occurring on the company's Veda bureau file in the forthcoming 12 months. Further, the report will contain scores on each Director. This score predicts the likelihood of an adverse event occurring on the director's file in the next 12 months. Director scores will be included as factors in the overall Company score found in the Summary section of the report.</p> <p>If you are enquiring on a limited or incorporated company with 5 or more Directors, the score will not return a percentage likelihood of failure.</p> <p>Trade payment data provides information about how an entity services their credit, by analysing the lines of credit the entity has with contributors to Veda's trade payment exchange programme, Debtor IQ.</p> <p>*Consumer information is only provided when the subscriber advises Veda that they have the individual's consent</p> <p>Note: PPSR Grantor Search is on ACN. Links against the ABN and Name in the Report will enable extra PPSR Grantor Searches to be requested if required.</p>	<ul style="list-style-type: none"> ▪ ASIC Extract (<i>On-file rules</i>)* <ul style="list-style-type: none"> ○ Current or ○ Current & Historical ▪ Commercial Credit Risk score ▪ Trade Payment data <ul style="list-style-type: none"> ○ Payment Performance summary ○ Late payment details, comparing the entity with any associated industries ○ Payment history by size of Debt ○ Payment History by Period ○ Detailed Payment references ▪ Australian Tax Office information on GST and ABN Status ▪ ANZSIC Industry Code classifications ▪ PPSR Grantor Search on subject entity (note extra fee applies) ▪ Company Enquiry (up-to-date) <ul style="list-style-type: none"> ○ Company Identity ○ Company Summary ○ Credit History ○ Public Record Details ○ Org & Management structure ○ File Notes ○ File Messages ▪ Ind Commercial or Ind Commercial + Consumer Enquiry (per Director up to 20) <ul style="list-style-type: none"> ○ Individual Identity ○ Individual Commercial and/or Consumer Summary ○ Commercial Credit History; or ○ Commercial and Consumer Credit History ○ Public Record Information ○ Business Relationships ○ File Notes ○ Cross Ref to other files ○ Other possible matching files

		<ul style="list-style-type: none"> ▪ Business Relationship summary for each director ▪ Company Enquiry on related entity <ul style="list-style-type: none"> ○ Summary information only - Summary of key credit and adverse information of each related company, business and individual (up to 20), as the information exists on the bureau. NB additional ASIC searches not conducted
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The maximum number of directors that may be returned can be up to 20. Links should be ordered by the following hierarchy

1. Directors processed by most recent appointment date
2. Directors should be processed by most recent cease date.
3. Proprietors processed by most recent appointment date

NB: Cross references are not included in the link limit count

The maximum number of relationships to be returned can be up to 20. The primary company that the report is requested on is to be included as part of this range.

***ASIC On-file rules**

An on-file ASIC Extract is utilised when the ASIC information held on the bureau meets the following criteria:

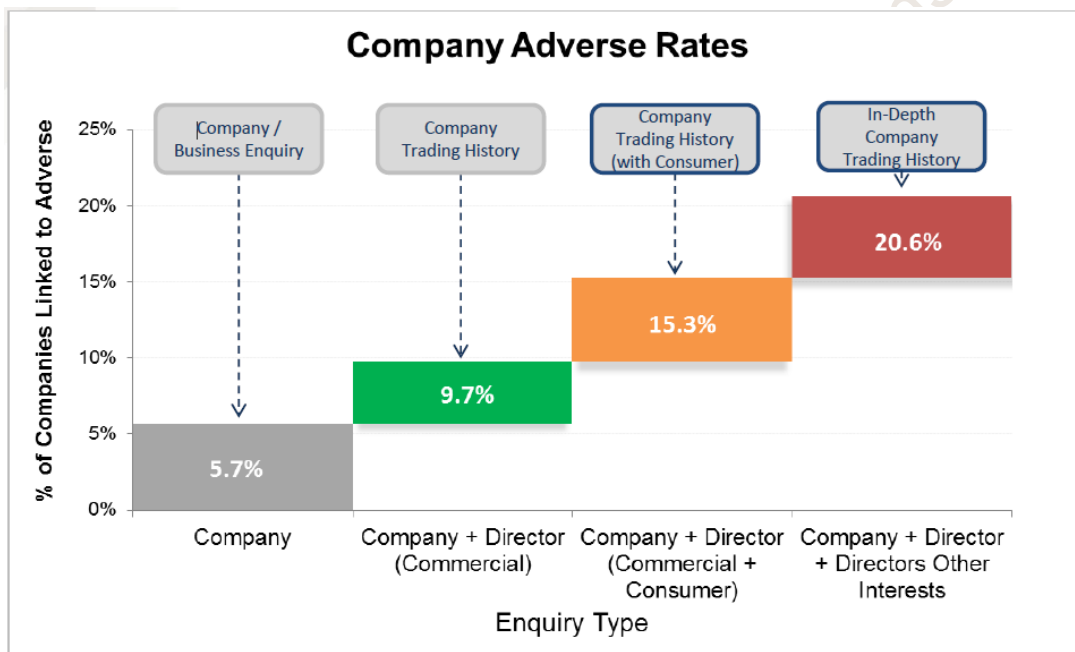
- ✓ *No documents have been lodged since the last ASIC search date*
- ✓ *The last search date is less than 12 months*

Note: any charges information appearing in on-file ASIC Extract will have moved to PPSR on 30th Jan 2012.

Where the above criteria are not met a fresh extract is purchased from ASIC for use within the report.

Product Benefits

- Helps you make informed lending decisions by gaining insight into a customer's willingness and ability to pay
- Helps ensure you are dealing with the correct legal entity
- Reports are returned in real time
- Provides a full view of the proprietors / directors and their commercial and consumer (with consent) credit history as held on Veda's credit reporting database
- Links to other products that help you to proceed further with credit assessment
- The power of utilising Veda's combined Consumer (consent required) and Commercial data as well as looking at Directors' other interests to get a greater understanding of the entity. The following graph shows the added insight gained by using Trading History reports, and how the likelihood of finding an adverse event increases each time you add an extra level of data to your search.



Uses

Credit Risk Assessment

Trading History reports can be used by credit providers to help you understand the potential risk of a customer. This helps you to:

- Make better informed lending decisions
- Limit exposure to bad debt by pre-emptively setting up direct debits or stricter payment terms with their clients
- Understand the people behind the business
- Extend credit to the right customers
- Have a greater understanding of the potential risk a customer poses
- Reduce the likelihood of losing money from the same customer who has relaunched under a new name

Supplier Risk Assessment

Enquiries can be used when assessing potential suppliers to understand the risk they may pose to an organisation. This allows them to:

- Make better informed decisions
- Limit exposure to a supplier whose business practices may impact your organisation
- Have a greater understanding of the potential risk a supplier may pose

Ordering an Enquiry

To purchase a Trading History product, you must first be a Veda subscriber. The reports are not available through our casual use website.

The updated Trading History reports can be purchased through either:

- **Working with Individuals or Organisations** on www.vedacheck.com
- Veda XML
- DecisionFlow
- DecisionPoint3
- DecisionLink



Consumer Details

Subscribers must have consumer consent to access the Consumer part of a file.

Personal information is covered by the Privacy Act 1988 (*Cth*) (the Act). Consumer credit information (including personal information) is covered by Part IIIA of the Act whilst commercial and publicly available personal information is covered by the National Privacy Principles of the Act. Veda has a responsibility to comply with the Act in relation to the access to and disclosure of personal information. Subscribers to Veda's services also have compliance obligations under the Act which they need to address and which is their responsibility. Veda does not provide legal advice on our subscribers' obligations under the Act. Subscribers should seek their own independent legal advice.

Pricing

For details of pricing please refer to the [Customer Value Plans](#).

Case Study

A subscriber had a policy to always check the legitimacy of any customers requesting credit. When one of the subscriber's larger customers requested credit of several \$million the standard due diligence in terms of policies and procedures were followed and an ASIC Extract was ordered to ensure the commercial entity was lawful and operational. A few months after the credit was granted the customer was placed into external administration resulting in the subscriber losing the full amount.

A retrospective look at the information available on the bureau at the time the credit was applied for showed that if an In-depth Company Trading History was ordered, it is likely the credit application would have been rejected. The report revealed information known about the directors' related entities, including that one company was deregistered and 3 were under external administration.

	ASIC Extract	Company Enquiry	Company Trading History	In-depth Co. Trading History	Assessment on actual entity
Dealing with correct legal entity	✓	✓	✓	✓	✓
No adverse information on entity	✓	✓	✓	✓	✓
Credit Enquiries on entity		✓	✓	✓	✓
No Payment Defaults for entity		✓	✓	✓	✓
No Payment defaults for entity or directors			✓	✓	✓
Individual Commercial Credit information			✓	✓	Refer
Individual Consumer Credit information			✓	✓	Refer
Directorships of other entities			✓	✓	Refer
Details of associated business relationships				✓	Decline

As a result of this analysis the subscriber has implemented updated policies and procedures utilising Trading History reports where appropriate to mitigate against this happening again.