

Understanding the Litigation Process in Singapore



There's more to running a business than just weaving out marketing magic to draw customers and crunching numbers to monitor one's bottomline. Every business transaction brings with it some legal implications. A deal has been signed and the order has been fulfilled. But the debtor refuses to pay up. So what is the next step to take to recoup what is rightfully yours?

Having a good understanding of the litigation system of the place of your company's domicile can help you decide on the next best action. With this mind, we invited our legal partner, Ascentia Law Corporation, to hold two complimentary workshops for our valuable customers in July. And what a warm response we've received!

In this article, we present some of the questions, and accompanying answers, raised during the workshops.

What does it mean when a case is "concluded"?
The term "concluded" is often misconstrued. It simply means that a judgment has been issued for the case, and, in no way, imply that the case is settled or closed. A case is legally closed when its status is recorded as "Entry of satisfaction", which means the debt has been fully paid, or "Notice of discontinuation", which means that action has been discontinued by the Plaintiffs.

Can a company sue for payment for a debt that is more than six years old?

Every country has laws governing the time in which a person or entity can file suit to collect a debt. Under the Statute of Limitation in Singapore, the time frame is six years. In other words, the statute of limitation expires once the debt is more than six years old (starting from the date of invoice).

Should a creditor go all the way and obtain judgment against its debtor?

There is no hard or fast rule. However, it may be prudent to get a judgment against the debtor. Simply for two reasons.

Once a judgment against a debtor has been issued, this information is recorded in the litigation databases and the credit bureau. At any point in time, if the debtor attempts to apply for credit facilities with a bank or financial institution, the judgment information will be reflected, thus affecting the debtor's attempts to borrow. The debtor may be compelled to clear off his debts.

In most cases, Judgments bear an interest of six percent per annum, starting from the date the summons is issued. The debtor will have no choice but to pay this interest as this is permissible.

Can a creditor take back the goods if the debtor fails to pay up?
In principle, this is provided for in the Romalpa clause. A Romalpa clause is a title retention clause and provides that until payment is received, the title remains with the seller. In other words, the buyer assumes the risk of loss and damage upon the delivery of goods, but the title passes to the buyer upon payment in full.

However, the issue is whether or not the items can be located. For example, if raw materials had been supplied and converted into finished products, the title is lost. In such instances, the easier way is to claim for the invoice sum.

What are Garnishee Proceedings?
It refers to the obtaining of an order to force a third party to pay debts owing to the Defendants to the Plaintiffs instead of the Defendants. Take the case of a Defendant who rents out his property. With a Garnishee Order, the tenant of the Defendant has to pay the rent owing to the Defendant directly to the Plaintiff. Note that salaries cannot be garnished.

Can a creditor go to the Banks to check if the debtor has any money in the bank account?

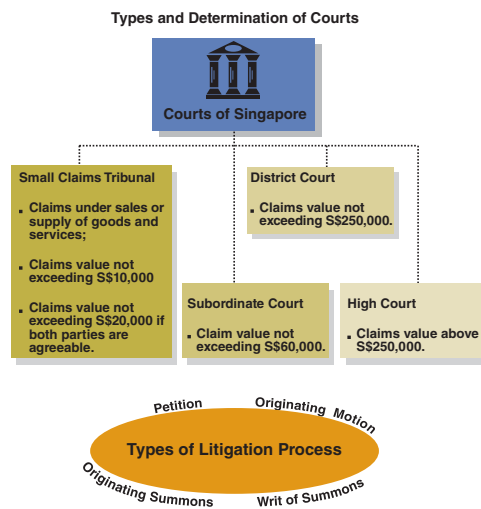
Under the Secrecy Act, Banks are not permitted to reveal the account details of their customers.

If the debtor is domiciled overseas, should the creditor take legal action in the debtor's place of domicile?

If the debtor is a foreign individual or a foreign company, it is advisable to sue in Singapore, provided that there is no exclusive jurisdictional clause. However, note that even if the claims value is just S\$5,000, the legal proceedings have to commence in the High Court as most foreign countries will only recognise judgment from a superior, which in the case of Singapore, the High Court of the Republic of Singapore

Once judgment is obtained from the High Court, only then can the creditor enlist an attorney in the country of domicile of their debtor to enforce.

If the contract does not state an exclusive jurisdiction clause, it is more cost effective to take legal action in Singapore. This is because lawyers usually require foreign claimants to place a security for costs.



In this issue of Power Philosopher, Entrepreneurial Spirit is the highlight of the day. What comes to mind, naturally, would be Action Community for Entrepreneurship (ACE), the body tasked to take on the bulls by the horns and push for the transformation of our risk-averse culture. Chairing ACE is Mr. Ong Peng Tsin - co-founder of Electric Classifieds, Inc. (creator of Match.com), founder of Nasdaq-listed Interwoven, Inc. and Encuentra, Inc.. A very successful but humble businessman who attributes a lot of his success to lady luck, Peng Tsin has agreed to grace Credence by Infocredit by sharing his thoughts and experiences. He touches on the work of ACE, on how he managed to break loose from the "10-year-series" mould and walk the unconventional route to where he is today. Cindi Tan reports on the "phone date" she had with him while he was miles away from home at his work base in the United States.

C: What exactly prompted the start of ACE?

PT: Entrepreneurship has always been relevant throughout the stages of economic development Singapore. In the 80s and 90s, the focus was largely on foreign-direct-investments and we were able to attract MNCs to set their base here and, in the process, also shift into higher value-added goods and services. Our local enterprises have developed alongside the MNCs, providing the much needed supporting goods and services.

Now, we are facing the unprecedented pressure from globalization which necessitates a shift from the investment to innovation phase in a knowledge-based economy. Thus, we need to evolve a more entrepreneurial environment and mindset to create competitive products and services for global markets. Promoting entrepreneurship is a key economic strategy to achieve this goal, where we hope more Singaporeans will come up with innovative business ideas, take risks and take up the entrepreneurship challenge.

Fostering the entrepreneurship movement is a collaborative effort. Hence, when we first formed ACE, we approached Minister Raymond Lim to be our Chairman as we felt that our approach should be for the government to help create pro-entrepreneurship conditions so that the growth of our companies is encouraged, not hampered. It is a collaborative effort where the government works alongside with ACE to remove unnecessary obstacles and make the environment more business friendly.

C: So far, what have been the challenges faced by ACE in its pursuit?

PT: One of the challenges faced so far is inculcating a right risk-taking attitude and shifting the mindset about entrepreneurship. Fostering such "software" change takes time and thus, we cannot expect tremendous and tangible results overnight. The society's attitude towards taking risks and business failures needs to be slowly overcome. We must learn not to equate business failures to personal failures. Such perception change needs time and hence, we are starting with the younger generation, to increase their familiarization with the workings of entrepreneurs.

Also, entrepreneurship is not the only issue, or even one of the top issues, that our nation is facing over the last few years. The world is changing, and the attention of our government has been on the issues

that are of much more importance in the short term (as it should be).

Another aspect that I would like to highlight is that being an entrepreneur is not without risks. Hence, in promoting entrepreneurship, we are mindful that the right message is being transmitted, that of self-reliance, being resourceful and perseverance.

That said, I think ACE has made significant strides in putting the critical issue of entrepreneurship development front and center in the mind of the public.

C: The traditional "10-year-series" schooling process has often been accused of stifling creativity and thus, a pitfall of entrepreneurship. How did you manage to break out from it?

PT: I left the country to study elsewhere and I got to see different worlds and how they work. The reason I did that was the motivation of looking at people like Bill Gates when they were starting out. I was very motivated by what young adults could do if they put their hearts to it. A lot of things were going on in the late 70s and early 80s - about entrepreneurship, software, PCs etc. I was following all these developments as a kid. I saw the world changing and I wanted to be a part of it.

C: You're professionally trained in electrical engineering and computer science. How did someone of your professional background ever get into the business of matchmaking via your set-up Match.com?

PT: We have this preconceived notion that if we study literature, we have to be teachers; if we study medicine, we have to be doctors. Engineering provides a great training ground for young people because it trains one to think systematically. That itself is very useful in life in general. And businesses run systematically. When we build things, we build things systematically.

C: What kind of hiccups did you face in this venture? What learning experiences from your start-up Match.com have you brought along with you when you ventured further?

PT: We had about six CEOs in the first six years. And that did not work at all. Because we were in such a "hot" time in the life cycle of the economy with the dotcom boom, we were able to cover up lots of our sins. That held true for a lot of companies during the dotcom boom.

People are important. Executives are important. Hiring the right people is important.

C: How do the problems face by aspiring or budding entrepreneurs of your time differ from those now?

PT: My contemporaries started during, what I would say, one of the biggest economic booms in recent history. We were just at the right place at the right time. I hope my contemporaries, who are entrepreneurs, realize, at some level, that their success is in part due to timing. Luck. Is it possible to do it over and over again regardless of the economic times? No. I have definitely learnt a lot of things but I can never replicate what I have done with Interwoven, for example, because the economy is not the same now.

C: From your observation and experience, what kind of qualities do successful entrepreneurs have in general?

PT: Basically, philosophically speaking, the successful ones understand themselves, understand why they are successful and what their weaknesses are. They don't think of themselves as super people and understand themselves better than most people do about themselves. They think about how and what they do, what technology is available and what kind of people there are in the world. They are action-oriented philosophers. They think about how things are and form ideas about what things should be and they push in that direction.

Ladies and gentlemen, Mr. Ong Peng Tsin, our very own homegrown entrepreneur and truly, a Power Philosopher.

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We have completed the design for Creditscan Commercial for the Malaysian market and the platform is scheduled to be delivered to Infocredit D&B (M) in the last quarter of this year. Our Malaysian office will provide more details in due course.

Understanding SME Lending, Rating and Scores.

Credit Bureau Singapore and Infocredit D&B (S) will be the platinum sponsors of the 2nd Asia Pacific Financial Crime Conference organized by The Association of Banks in Singapore from 28th to 29th July 05. The 2-day Conference will bring together international experts to share the knowledge on the war against financial crime.

We will introduce a new product - Global Reference Solution (GRS) - during the Financial Crime Conference. GRS is a new solution combining the power of D&B's global data coverage and the insight of D&B's corporate linkage within a single service. The solution was initially developed to meet the requirements of the European Commission but has proven to be a strong commercial success in areas including fraud detection, market research, purchasing, and marketing amongst others.

Infocredit D&B (S) will once again participate in this year's BlueSky Finance Fair to be held on 14th July. This is an annual event by Action Community for Entrepreneurship (ACE) and partners to celebrate and showcase the spirit of entrepreneurship. As one of the sponsors, Infocredit D&B will be able to reach out to an estimated 500 companies and businesses which are expected to attend the Fair. We will also have a speaker slot, for which we have invited Mr. Michael Landgraf of Baycorp Advantage to speak on "Establishing and

Credit Bureau Singapore Pte Ltd (CBS), Singapore's consumer credit bureau, announced on the 16th of August 2005 that it is the first sponsor of Credit Counselling Singapore's (CCS) Fee Sponsorship Programme. The Programme seeks to defray the non-profit organisation's charges for counselling indebted individuals and its fees for structuring a Debt Management Programme (DMP) for financially distressed consumers. Credit Bureau Singapore will contribute up to S\$1,000 a month towards the Programme.

The sponsorship was announced by Mr Bill Chua, Chairman of the Board of Directors of Credit Bureau Singapore, and Mr Kuo How Nam, President of Credit Counselling Singapore, during the launch of the new Credit Bureau Singapore website (www.creditbureau.com.sg). The revamped website is aimed at providing consumers with more information on how to manage their credit reputation.

Says Mr Kuo How Nam: "CCS' Fee Sponsorship Programme was set up to alleviate the financial difficulties faced by some debtors in paying for CCS' counselling fees. With Credit Bureau Singapore's assistance, we hope to help the indebted individuals who might be inhibited to come forward to seek help because of cash flow problems."

Says Mr Bill Chua: "The sponsorship of CCS' fees and the revamp of the Credit Bureau Singapore website are initiatives by Credit Bureau Singapore to reach out to more consumers. Through these initiatives, we hope that more consumers will learn to take control of their credit history and manage their credit usage."

Says Mr Seah Seng Choon, Director of the Consumers Association of Singapore (CASE): "CASE supports CBS' sponsorship to CCS. Consumers in severe financial difficulty will certainly find such sponsorship to facilitate easier access to CCS assistance extremely useful. The launch of CBS website will enhance transparency. Such actions demonstrate CBS corporate social responsibility in action."

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A few years from now, your lifestyle, your capacity to finance your business expansion, and the time it takes to approve your loans could be influenced by a single number. On the corporate front, banks will be in a better position to discriminate between those who will end up defaulting and those who will pay on time. On the broader economic front, the market will have better information on borrowers, thus allowing the flow of credit to those who can manage it and denying, or attaching a higher cost to, those who cannot.

All these implications will be a result of a single number, called a credit score, which, if calibrated properly, has the potential to help financial institutions minimize the risk that their customers pose to them from spending on credit or business financing.

In a world that is seeking out the fastest and also the most accurate way of decision making, statistical methods are automating processes that were formerly the domain of credit officers dedicated to evaluating the credit potential of each application - signaling a shift from a subjective judgment-based approach of evaluating applications to an objective method based on predictive modeling.

These statistical methods typically takes into consideration of your payment history, level of debt, the length of your credit history and your acquisition of new credit to generate a score that will predict your future credit worthiness. Once this is done, the financial institution can, depending on its approval quotas and its risk appetite, decide upon a score cut-off point for good credit, that will automatically approve applications, as well as a score cut-off point for bad credit, which is destined for rejection. As a consequence of this statistical innovation, there will be a reduced role for credit officers who will only be needed to investigate the applications that fall somewhere in between the two cut-off points.

Risk management has become an increasingly important focus for lenders, especially with the requirement to implement

Launched in 1988, the Basel Capital Accord was originally ratified by members of the Basel Committee on Banking Supervision¹, made up of bank regulators from G10 countries. The accord was intended to halt the decline in bank capital, observed for much of the twentieth century, and to level the playing field for internationally active banks. Although the accord managed to reverse the decline in bank capital ratios² in the G10 countries by the early 1990s, the Basel methodology was based on rather crude measures of risk, ranging from zero to 100 percent - for instance, assigning a risk weight of 100 percent to bank loans made to commercial companies and zero percent to a bank loan made to a central government in national currency.

However, while taking a broad-brush approach does have its benefits in terms of simplicity and comparability of measuring bank soundness, its one-size-fits-all approach does require a bit more tweaking.

One of the reasons for the revisions to the Basel Capital Accord in 2004 is that risk management techniques have grown increasingly sophisticated and the accord, in its original form, provided insufficient distinctions between different grades of risk. The new Basel Accord, called Basel II, aims to heighten the sensitivity to the risk of credit losses by requiring higher levels of capital for riskier borrowers vice versa.

The next question that comes to mind is: How do you differentiate risk? Once it is possible to determine the grade of risk that each customer poses through credit scoring, it becomes possible to determine the Probability of Default (PD)³ and subsequently, Loss Given Default (LGD)⁴ as well as Exposure at Default (EAD)⁵. These measures are necessary for calculating the capital requirement for a given exposure under the Internal Ratings Based (IRB) approach, which allows banks, with the approval of regulatory authorities, to use their own internal estimates of risk.⁶

This capacity to differentiate risk will not just allow lenders to differentiate risk and conform to the requirements of the accord, it is also

risk-based pricing and to open up opportunities for securitization.

By automating most of the evaluation function of loan applications, credit scoring can reduce the costs of human underwriting. And instead of spreading the cost of human underwriting across all loans, this cost can now be applied to those loans that fall between the accept-reject cut-off and hence, require in-depth review. Potentially cost savings can be passed on to customers who have been automatically accepted. In addition, credit scoring enables lenders to peg the cost of loans more efficiently according to the risk that each loan entails. Another benefit is that credit-scored loans will be easier to securitize as investors will now be able to gauge the performance of securitized loans, very much like asset-backed securities.

The fundamental scoring principle is that past experience will be predictive of future performance. What if there is a sudden change in the economic environment?

Fortunately, there are measures in place to mitigate such risks. According to Basel II, paragraph 501, banks must regularly compare realized default rates with estimated PDs for each grade and be able to demonstrate that the realized default rates are within the expected range for that grade. With the passing of time, the credit scoring model needs to be recalibrated in order to take into account the changing credit landscape.

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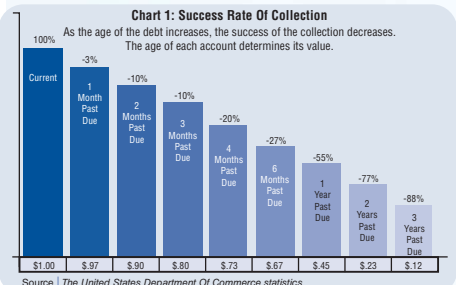
1. These countries include: Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, United Kingdom and the United States.
2. Capital serves as a foundation for a bank's future growth and as a cushion against its unexpected losses. Adequately capitalized banks are better able to withstand losses and provide credit to consumers and businesses alike throughout the business cycle, including during downturns. Hence, promoting public confidence in the banking system" - taken from the press release: "G10 central bank governors and heads of supervision endorse the publication of the revised capital framework".
3. The probability that a specific customer will default within the next 12 months.
4. The percentage of each credit facility that will be lost if the customer defaults.
5. The expected exposure for each credit facility in the event of a default.
6. Under the Basel Accord II, there are two approaches to calculating capital requirements for credit risks, the first outlines a standardized approach supported by external credit rating agencies such as Standard and Poor's credit ratings, while the other is the IRB approach as mentioned above.



Infocredit D&B
Debt Collection : The Great Wall of China

Receivables Management Services (RMS) - ICD&B's debt-collection division - shares how debt recovery can take on a twist in China and how knowing the ins-and-outs of this business can give you the edge in conquering the legal web in this Super Economic House.

A creditor takes on credit risks each time he grants a customer credit. Besides close monitoring of the accounts receivables, time is of the essence in debt-placements. Hence, a company must establish a specific policy for management of its accounts receivables from day one to the time that the account becomes delinquent. The older an account becomes, the lower the chances of recovery. Therefore, it is critical to take proactive measures once an account receivables passes its due date (see Chart 1).



Sometimes, a reminder letter can be effective in debt recovery. There are, however, instances, whereby simple reminders have proven to be ineffective. In such cases, third party collection is your best resource towards a more successful debt recovery.

However, not one debt collection process is exactly the same in the world. In China, the traditional form of debt-recovery, through third-party collection houses, does not conform to the Chinese Law. Traditionally, these organizations combined the synergies of "Guanxi" and apply primitive, but yet disincentive, muscle-flexing collection tactics to ensure debtors pay up. Consequentially, collection agencies, per se, are banned from operating under the regulations issued by the State Administration for Industry and Commerce and the National Public Security Bureau in 1995.

At the time the People's Republic of China (PRC or China) unveiled its open-door policy in 1978¹, it was operating under, what has been described as, a legal vacuum. Immense and rapid changes have occurred in China in the last 25 years, which, in turn culminated recently in China's accession to the World Trade Organization²(WTO). This accession to the WTO has stimulated ongoing judicial reforms, bringing the country's dispute resolution system more in line with international practice. Now, China comes under a civil law jurisdiction, which adopts a codified system of law.

In the instance of dispute resolution for debt matters in China, the predominant forms used, for its convenience, cost savings and efficiency, are namely arbitration³ and civil litigation involving foreign parties for it is convenience, costs savings and efficiency in concluding or resolving cases. To this day, arbitration is still favored by foreign businesses due to their lack of familiarity with the PRC's system of civil procedure or lack of confidence in the court system. Ignorance of the law signifies a problem by itself.

Apart from arbitration, the appointment of lawyers to litigate claims is simultaneously growing. The judicial system, consisting of various levels of courts functioning throughout the country, has jurisdiction to adjudicate commercial disputes. Chinese law firms, as well as some of the leading Western law firms, now practise extensively throughout the country, representing Chinese and foreign clients on a variety of legal matters. The judicial process in China is also marked by "reference power" - a condition that top government officials recognize and pledge to confront - and what sociologists would call Second and Third Party social Norm. It falls under the concept of "Guanxi", or "Social Connections" in English. It's not what you know, but whom you know that counts.

Since 1995, the regulation forbids, other than licensed law firms, any organization or entity to act on behalf of creditors in debt collection. Before an attorney is engaged, the creditor must ensure that no other debt disputes exist between the debtor and themselves, and claims involve only the repayment of money or securities. With these in place, the attorney would then apply to the basic people's court⁴ to request for the payment of a pecuniary debt or recovery of negotiable instruments from their debtors with copies of invoices/statement, purchase orders, sales contract, proof of delivery, relevant correspondence, bounced cheques and brief background description of case in order to proceed further. Should the case goes to court, the court may request for these documents to be translated into Chinese, if necessary. The court will also advise the amount of court costs which will be paid by the plaintiff in advance unless the court makes a judgment on the debtor. Thus, the fees will then be borne by the latter.

The people's court shall, within five days, inform the creditor whether the application, where it clearly states the requested amount of money, is approved or not. Within fifteen days upon the acceptance of the application, the court will then issue an order of payment to the debtor where he/she has also fifteen days to clear off or submit to the court his/her dissent in writing. Should the debtor have no dissent within the period of notice, the creditor may apply to the people's court for execution which usually takes an approximate of 3 months, thus, a judgment would be made for further action towards the claim. Although cases are usually concluded within 12 months, some undefended litigation process can expect to be completed before then.

Harnessing legal assistance, in addition to arbitration, is the way to go in China when recovering one's debts. The key issue for creditors, now, is choosing the right legal partner - one with experience, integrity and network.



1. With the adoption of its "open door" economic policy in 1978, China began to emerge as a significant force in world trade. China is now the world's third largest economy.
2. China has become a member of the WTO since December 11, 2001
3. Arbitration in China is governed by the Law of Arbitration. Arbitral bodies comprise: China International Economic and Trade Arbitration Commission (CIETAC), also known as the Court of Arbitration of the China Chamber of International Commerce (CCDIC Court of Arbitration), and China Maritime Arbitration Commission (CMAC). CIETAC has been established for nearly 50 years. It is based in Beijing and has sub-commissions in Shanghai and Shenzhen. It is one of the most widely used arbitral bodies in the world.
4. The Basic People's Courts form the first level of courts in China. They are set up in counties, cities at country level, autonomous counties, banners, city districts and in places as needed.

Infocredit D&B (Malaysia) Sdn Bhd (ICD&B) released its Business Optimism Survey for the period of July to September 2005. The survey, which was conducted in June 2005, reveals that the business confidence pointing over the previous quarter despite the price hike of crude oil globally.

The corporate sector remains optimistic about future sales prospects. Approximately, 64 per cent of the survey's respondents expect sales volume to increase in Q3 2005 while nearly 13 per cent expect a decline as opposed to 43.4 per cent increase in the previous quarter.

As the result mirrored a more optimistic view of the overall demand growth in the next quarter, the percentage of respondents witness an increase in their new orders received and net earnings is about 45 per cent. About 13 per cent hold a pessimistic view on the new orders parameter and 12 per cent expect their earnings to decline.

However, in terms of adjusting selling prices, the respondents had a mixed view on the level of selling price, as there were highly dependent on the uncertainties of global market condition. About 42 percent of the survey respondents expect the selling price to remain unchanged during Q3-05, while 41 per cent anticipate the selling price to go up and only 17 per cent expect prices to decline.

About 58 per cent of the respondents intend to increase their inventory levels, as opposed to 12 per cent that expect these stock levels to decline during the Q3-05.

"The survey, conducted in the aftermath of the oil price hike reveals an optimistic outlook on the Malaysian market sentiments," said Mr Tan Sze Chong, Managing Director, Infocredit D&B (Malaysia) Sdn Bhd. "Nevertheless, the Government's support to control inflation and interest rate movements could be key factors in determining business confidence over the next quarter."

The ICD&B Optimism Index is widely recognised as an indicator, which measures the pulse of the business community and serves as a reliable benchmark for investors. The index is arrived at on the basis of a quarterly survey of business expectations.

The survey is conducted on a sample of companies that are selected randomly from ICD&B's commercial credit file. The sample selected is a microcosmic representation of the country's business community and includes companies from several sectors including basic goods, capital goods, intermediate goods, consumer durables, consumer non-durables and service sectors. Respondents to the survey are asked five standard questions regarding whether specified parameters viz., net sales, net profits, selling prices, new orders and inventories, will register an increase, decline or show no change in the ensuing quarter as compared to the corresponding quarter of the previous year. The indices are then calculated by subtracting the percentage of respondents expecting decreases from those expecting increases.



About the ICD&B Optimism Index

ICD&B CREDIT MANAGEMENT SURVEY REVEALS PROTRACTED CREDIT CYCLE ACROSS SECTORS

Infocredit D&B (Malaysia) Sdn Bhd (ICD&B) conducted a recent survey to examine credit management situation for Malaysian business communities for the Quarter 3, 2005. The survey is to facilitate a better understanding of credit management practices by sectors in Malaysia. It was conducted using official sources complemented with 300 companies in Malaysia randomly selected from ICD&B database with emphasis on payment terms and pattern experienced by respondents.

The survey result reveals payment pattern remained to be slow, as signified by the average DSO of 86 days against the average credit term of 60 days across all industries. According to the survey result, the Construction and Transportation, Communication & Utilities sectors had recorded slow payment trend with DSO exceeding the line of 100 days to stand at 160 days and 124 days respectively. This had resulted in high divergence between DSO and credit term of 144% and 183% respectively.

Meanwhile the manufacturing sector, which accounts for approximately 30% of Malaysia's national GDP, had shown improvement in its DSO to report at 78 days, with 41% of respondents retained a prompt payment pattern. In contrary, Services sector revealed an unhealthy payment trend with 84% of respondents encountering slow collection cycle reported at 106 days.

"The survey findings reveal a generally sluggish payment cycle among enterprises in Malaysia," said Mr. Tan Sze Chong, Managing Director of Infocredit D&B (Malaysia) Sdn Bhd. "However, we believe that sound credit management systems can further improve the DSO situation, reduce bad debts and capital cost, which ultimately lead to higher profits for the enterprises."

About ICD&B Credit Management Survey

The survey was conducted using official sources complemented with 300 companies in Malaysia randomly selected ICD&B database with emphasis on payment terms and pattern experienced by respondents. Among the respondents, 2% were from construction sector, 58% were from manufacturing sector, 7% were from services sector, 5% were from transportation sector and 28% were from communication & utilities wholesale & retail trade sector.