

THE MAURITIUS CREDIT INFORMATION BUREAU (MCIB)

An update of the MCIB Information Booklet issued jointly by the MBA and the Bank of Mauritius in November 2005.

1. Introduction

The quality of credit is critical to the financial soundness of lending institutions and hence also to the overall stability of the financial system. Credit can take several forms, such as loans, overdrafts, leasing facilities or any other financial commitments, whether fund based or non-fund based.

Several safeguards have already been put in place by the Bank of Mauritius (BOM) and individual banking institutions to protect against the risk of deterioration of credit. The establishment of the MCIB in 2005 represented a further effort of the BOM and banks to safeguard the risks of loan deterioration. It also aims at preventing over indebtedness.

2. What is the MCIB?

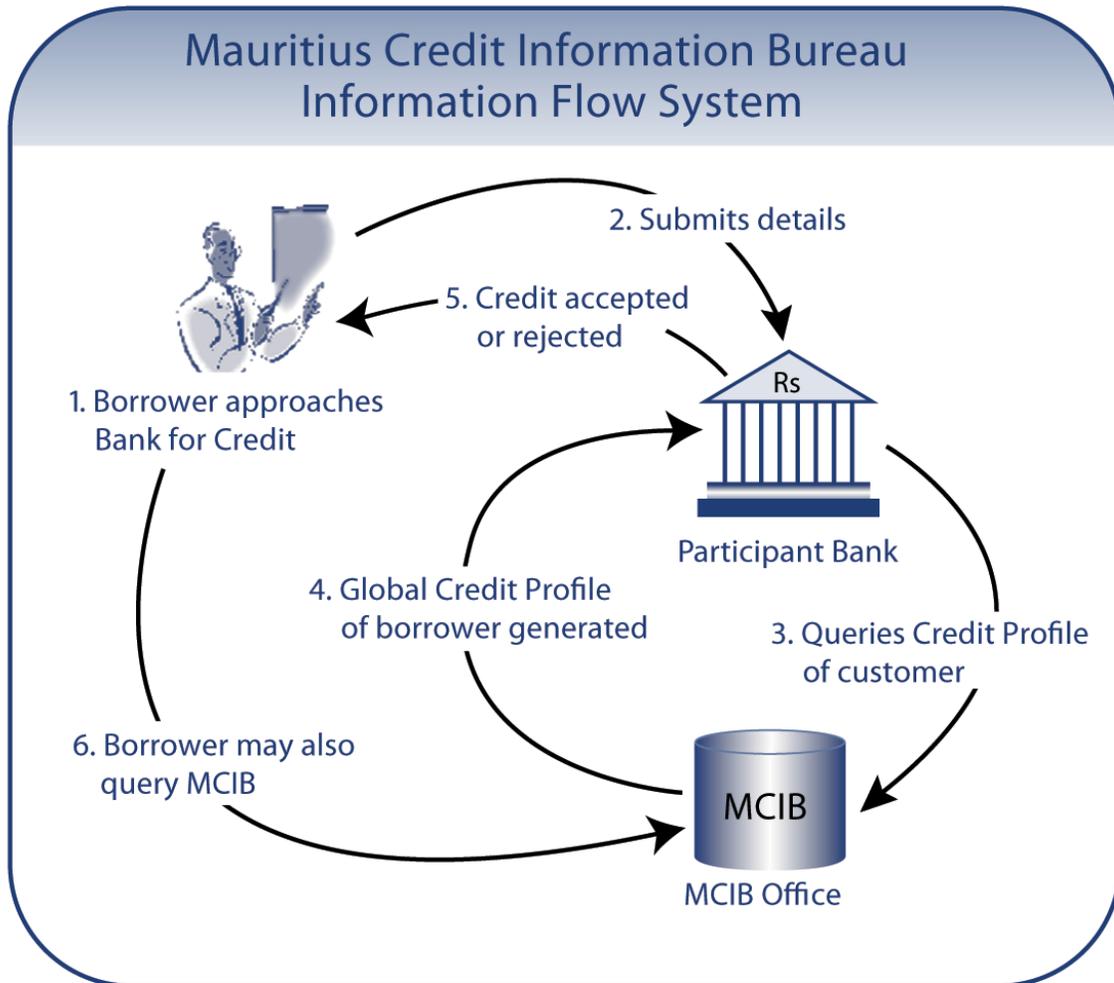
The MCIB collects, stores and provides credit information to lending institutions on customers' credit exposures. Accordingly, details of credit facilities granted to customers are stored electronically in the information system of the MCIB. The latter acts as a repository institution for both positive and negative data about borrowers. Positive data means that the customer's account has been performing correctly and all repayments on the credit have been made on time. The credit information is said to be negative when the customer's account is characterised by irregularities, including arrears and the accumulation thereof on repayment. However, the MCIB cannot collect information on deposit instruments, current or other accounts having a positive balance.

3. How does it work?

Participants are responsible to submit timely and accurate information to the MCIB. They need to provide the MCIB with credit information both positive and negative on existing and new customers through the MCIB network.

The data submitted is then compiled in a database of the MCIB and is then made available on an "on-line" basis to the participants to whom a customer applies for credit.

The following is an illustration of the information flow system linking customers, participants, including banks, and the MCIB in the context of the operation of the MCIB.



4. What does the Credit Report contain?

The MCIB pools together the credit information obtained from different participants on a particular borrower. The total consolidated amount borrowed and outstanding at a particular point in time is then made available to the requesting participant.

As from 1st December 2005, it is mandatory for all participants, except utility bodies, to make the necessary inquiry from the MCIB before approving, increasing or renewing any credit facility of customers. This allows them to have a complete picture of the borrowers' overall indebtedness before taking a final decision as to whether or not to grant the credit applied for.

Although the MCIB provides credit reports to the participants, it does not make actual lending decisions. It is up to the participants to evaluate credit reports and any other factors they consider important before deciding whether or not to offer the credit requested.

5. How long does credit information stay on the MCIB Database?

For positive information, records are purged from the system three (3) years after the credit has been repaid. For negative information, and in the case of credit facilities with arrears, data pertaining thereto is purged from the system three (3) years as from the date the negative credit has been regularised. In cases where the negative credit has not been regularised, it shall remain registered in the database of the MCIB. Data purged from the database shall still be available to participants on an offline basis from the electronic archives for a further period of 7 years.

6. How often is credit information updated?

Participants are responsible to submit accurate information to the MCIB and to ensure the timely update of information. Update of information in the MCIB is made in the course of the same day or at latest by 9:30 a.m on the next business day.

Since 1st March 2008, there is no cut off limit for reporting of credit information in respect of all credit account holders. The previous cut-off limit was Rs 100,000 for individual account holders, either singly or jointly and Rs 500,000 for other accounts such as corporates.

7. Access to credit information and confidentiality

By law, credit information in the MCIB is kept strictly confidential. Only participants of the MCIB have access to the credit information. Participants are bound to ensure full confidentiality of information obtained from the MCIB and such information is not disclosed to any other party except to the applicant when processing requests for credits.

Before they can access the credit information pertaining to a bank's customer, participants must have before them an application for credit facilities from that customer. Thus, they will not consult the data file of persons whose information is posted on the MCIB and who are not their customers, except if they have been formally approached by such customers for credit facilities.

The participants can also make enquiries on guarantors from the MCIB, provided they have either a letter from the guarantor or his signature proving that he is the guarantor of the applicant.

Any abuse made by any participant in this respect is subject to sanction in view of the fact that the confidentiality of the MCIB database is protected by law. The MCIB is administered by a small number of Bank of Mauritius staff who are bound by the duty of confidentiality.

8. Customers' right of access to the MCIB

Applicants and guarantors have the right to make enquiries from the MCIB on information which has been registered in their name in the MCIB by participants. A request shall be formally made in that respect to the MCIB and after verification of the identity of the requestor, the relative information shall be supplied to him/her.

9. The Fight Against Over-Indebtedness

Other than the objective of ensuring the development of an overall sound credit environment in Mauritius, another positive fallout of the establishment of the MCIB is to directly assist in fighting over-indebtedness, principally of households, which has detrimental effects on family life.

10. Establishment of private credit information bureaus

Appropriate amendments have been made to the Banking Act 2004 in order to allow for the creation of private credit information bureaus in Mauritius.

Mauritius Bankers Association Limited

2 May 2013

Appendix: Participants of the MCIB

At the creation of the MCIB, participation was limited to banks only. However, the MCIB has over the years, extended its coverage to other lending institutions as well as the utility companies as follows:

Banking institutions:

1. Bank of Mauritius
2. ABC Banking Corporation Ltd
3. AfrAsia Bank Ltd
4. Bank of Baroda
5. Bank One Ltd
6. Banque des Mascareignes Ltée
7. BanyanTree Bank Limited
8. Barclays Bank PLC
9. Bramer Banking Corporation Ltd
10. Habib Bank Limited
11. Mauritius Post and Cooperative Bank Ltd
12. SBI (Mauritius) Limited
13. Standard Bank (Mauritius) Limited
14. State Bank of Mauritius Ltd
15. The Hongkong and Shanghai Banking Corporation Limited
16. The Mauritius Commercial Bank Ltd
17. Century Banking Corporation Ltd
18. Standard Chartered Bank (Mauritius) Ltd

Leasing companies:

1. AXYS Leasing Ltd
2. Cim Finance Ltd
3. Finlease Company Limited
4. La Prudence Leasing Finance Co. Ltd
5. Mauritian Eagle Leasing Company Limited
6. SICOM Financial Services Ltd
7. The Mauritius Leasing Company Limited

8. Dölberg Asset Finance Limited
9. Tshusho Capital (Mauritius) Limited

Insurance companies:

1. State Insurance Company of Mauritius Ltd (SICOM)
2. BAI Co. (Mtius) Ltd
3. Mauritian Eagle Insurance Co. Ltd
4. Indian Ocean General Assurance Co Ltd
5. La Prudence Mauricienne Assurances Ltée
6. Mauritius Union Assurance Co Ltd
7. The Anglo-Mauritius Assurance Society Ltd
8. LAMCO International Insurance Ltd

Other participants:

1. Mauritius Housing Company Ltd
2. Development Bank of Mauritius Ltd
3. National Housing Development Co Ltd
4. The Mauritius Civil Service Mutual Aid Association Ltd
5. Employees Welfare Fund

Utility Bodies:

1. Central Water Authority
2. Central Electricity Board