

**THE MAURITIUS CREDIT INFORMATION BUREAU**

**An Information Booklet**

**November 2005**

# THE MAURITIUS CREDIT INFORMATION BUREAU

*“ONE OF THE GREATEST DISSERVICE YOU CAN DO TO  
A MAN IS TO LEND HIM MONEY THAT HE CAN'T PAY BACK”*

*JESSE H JONES*

## 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, including loans, overdrafts and any other financial commitments.

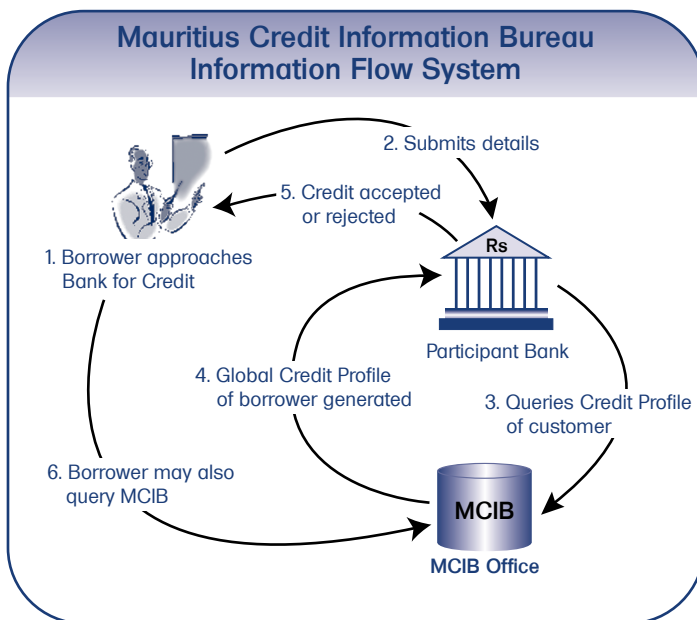
Several safeguards have already been put in place by the Bank of Mauritius and individual banking institutions to protect against the risk of deterioration of credit. The establishment of the Mauritius Credit Information Bureau (MCIB) represents a further step taken in that respect.

## What is the Mauritius Credit Information Bureau and how does it work?

The MCIB collects, stores and provides credit information to lending institutions about customers' credit exposures. Accordingly, details of credit facilities granted to customers will be stored electronically in the information system of the MCIB.

How does it work? Banks participating in the MCIB will submit information on their customers' debts. The data submitted will be compiled in a database of the MCIB and then made available on an "on-line" basis to participating banks to whom a customer applies for credit.

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



It is mandatory for all participating banks to make the necessary enquiry from the MCIB as from 1 December 2005 before approving, increasing or renewing any credit facility of customers.

This will allow them to have a complete picture of the borrowers' overall indebtedness before taking a final decision on whether or not to grant the credit applied for.

Although the MCIB will provide credit reports to lending institutions, it does not make actual lending decisions. It is up to individual lenders to evaluate credit reports and any other factors they consider important before deciding whether or not to offer credit.

A list of banks participating in the MCIB is provided hereunder.

1. Bank of Baroda
2. Banque des Mascareignes Ltée
3. Barclays Bank PLC
4. First City Bank Ltd
5. Habib Bank Limited
6. Indian Ocean International Bank Limited
7. Mauritius Post and Cooperative Bank Ltd
8. South East Asian Bank Ltd
9. State Bank of Mauritius Ltd
10. The Hongkong & Shanghai Banking Corporation Limited
11. The Mauritius Commercial Bank Ltd

## What does the Credit Report contain?

The MCIB will pool together the credit information obtained by it from participant banks on a particular borrower. The total consolidated amount borrowed and outstanding at a particular point in time will be made available to the requesting bank.

A cut-off limit of Rs100,000.- for individuals either singly or jointly and Rs500,000.- for other account holders is applicable for the reporting of credit facilities to the MCIB i.e. credit information below that limit will not be reported to the MCIB.

Participant banks will feed the MCIB with credit information, both positive and negative on existing account holders. The credit information is said to be positive when 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 characterized by irregularities, including the accumulation of arrears on repayment.

## How often is credit information updated?

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

## Access to credit information and confidentiality

By law, credit information in the MCIB will be kept strictly confidential. Only banks participating in the MCIB will have access to the credit information i.e. participating banks listed above.

Before they can access the credit information pertaining to a bank's customer, participating banks must have before them an application for credit facilities from that customer. Thus, banks 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.

Participant banks will ensure full confidentiality of information obtained from the MCIB. The information obtained from the MCIB will not be disclosed to any other party except the applicant when processing requests for credits.

Any abuse made by any participating bank in this respect will be subject to sanction in view of the fact that the confidentiality of the MCIB database is protected by law.

The MCIB will be administered by a small number of Bank of Mauritius staff who are bound by the duty of confidentiality.

## Customers' right of access to the MCIB

Customers have the right to obtain their own report from the MCIB provided they are applicants for credit and are not satisfied with the credit information concerning them held by the MCIB. They may then consult the MCIB, in the manner set out hereunder. After validation of their identity, they will be informed of the information on credit facilities held on them by the MCIB. Customers have the right to have their credit details rectified in case it is established that their credit exposures have been incorrectly submitted/compiled.

Where customers are dissatisfied with their credit information held by the MCIB, they need to formally submit in writing their request for information to the MCIB at the address shown below. In the case of individuals, this request must be accompanied by their full names, address and a copy of their National Identity Card and, in other cases, documentary evidence acceptable to the MCIB establishing the identity and authority of the enquirer.

Mauritius Credit Information Bureau  
Bank of Mauritius  
Sir William Newton Street  
Port Louis  
Mauritius

## How long does credit information stay on the MCIB Database?

Positive credit information will be deleted from the MCIB database one month after the credit has been repaid up to the cut-off limit i.e. Rs100,000 for individuals either singly or jointly and Rs500,000 for other account holders. For negative credit information, records will be deleted from the system two years as from the date the negative credit has been regularised.

In cases where the negative credit has not been regularised, it will remain registered in the database of the MCIB.

Participating banks may still access purged data from the database on an “off-line” basis for a further period of 10 years.

## 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 will be to directly assist in fighting over-indebtedness, principally of households, which has detrimental effects on family life. This objective will be better achieved in the near future once the coverage of the MCIB, which presently concerns banking institutions only, is extended to all other lending institutions in Mauritius.



## DISCLAIMER

This booklet is intended solely for information purposes. It does not establish or affect legal rights or obligations, and is not finally determinative of any of the issues addressed therein. It also does not create any rights enforceable by any party in litigation.

A joint publication of:



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