



EDBS/KH/99/2013
13th June, 2013

The Chief Executive Officer
All Banks
All Financing Companies
Manama
Kingdom of Bahrain

Dear Sir,

Re: Extension of Bahrain Credit Reference Bureau ("BCRB") Services to Cover Corporates

Reference is made to the CBB's consultative paper No. OG/06/2011, issued on 3rd January 2011 on the above subject matter.

Based on the feedback received from banks and financing companies (licensees) on the above consultative paper as well as the recommendations of the BCRB Development Steering Committee Report, the CBB has decided to extend the BCRB's credit referencing services to cover credit information on companies/corporates operating in the Kingdom of Bahrain. The Code of Practice of the BCRB has been amended to align it with the expanded scope of the BCRB, covering credit information on corporates. The amended code has already been circulated among licensees by the BCRB along with a comprehensive data manual for the same. The data manual includes definitions of various parameters covering types of loans and borrowers, periodicity of review and other requirements for submission of information on corporate borrowers. The manual also defines the types of corporates that would be covered under the corporate bureau.

The CBB is therefore issuing the following mandatory requirements:

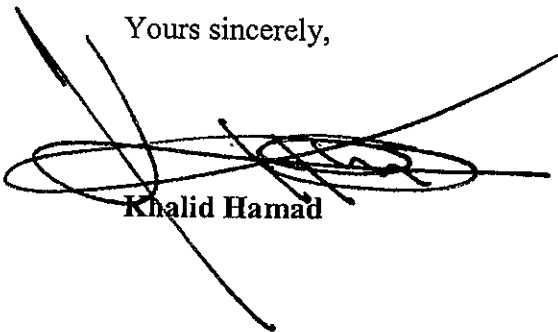
1. All banks and financing companies (licensees) providing credit/financing facilities to any resident company in the Kingdom of Bahrain must participate in the BCRB's corporate credit referencing system. Only those banks that do not offer any such financing facilities may apply for an exemption from the membership, in writing to the Central Bank.
2. Licensees are required to submit credit information on active accounts only, i.e. accounts with which the licensees have current relationship (closed accounts may not be reported).

3. Licensees must submit to the BCRB information on their corporate borrowers on a regular and timely basis and in such a format as the BCRB may require.
4. Licensees are required to ensure that their processes and relevant IT systems are enabled to provide the requisite information on corporate borrowers to the BCRB by end of September 2013. The BCRB's corporate credit referencing system shall go live on 1st January 2014.
5. Licensees are required to fully adhere to the Code of Practice as amended. Any breach of the Code would result in enforcement action(s) by the CBB.
6. The tolerance level for errors in banks and financing companies data submission to the BCRB shall be zero percent with error rate being calculated on monthly basis. Anything above the zero percent error level shall attract monetary penalty on licensees by the CBB, which would be similar as that imposed under retail loans submission i.e. BD50 per erroneous account per month. However, the licensee shall be provided with the data audit report at the end of each month before it is sent to the CBB and allowed a period of 5 days to rectify the error as is being done in case of consumer credit bureau currently.
7. Licensees and the BCRB are required to submit an action plan detailing the measures to be taken along with the timeframe to fully adhere to the above-mentioned requirements. In addition, they are also required to submit a monthly progress report addressed to their respective Supervisory Point of Contact at the CBB. The monthly report should be sent by the first week of every month until otherwise advised by the CBB.

This Directive is binding for the licensees pursuant to powers contained in Article (38) of the CBB Law.

Should you require any clarifications about this Directive, please do not hesitate to contact your Supervisory Point of Contact at the CBB.

Yours sincerely,



Khalid Hamad