CIB Circular No. 02/2018

Date: $\dfrac{\text{April 26 , 2018}}{\text{Baishakh 13, 1425}}$

Managing Director/Chief Executives
All Scheduled Banks/FIs in Bangladesh

Dear Sir,

### Regarding Submission of Collateral Information to the Collateral Database in the Process of Developing Collateral Information System

      With a view to having well organized banking sector, Credit Information Bureau, through developing CIB Online System, is already working for strengthening credit discipline and easing loan sanctioning process of banks and financial institutions. Within existing legal framework (Bangladesh Bank Order, 1972 Chapter-IV, 42(c)) Credit Information Bureau, Bangladesh Bank has taken initiatives to establish a collateral database in order to prevent treachery and corruption related to collateral as a part of strengthening credit discipline. Development of collateral database will prevent fraud-forgery and related treachery and corruption arising from mortgaging unlawfully same property against more than one loans sanctioned by banks/FIs. Primarily, only information on immovable collaterals such as Land, Flat, Building and Capital Machineries will be included in collateral database. Without incorporating in the existing CIB Online System, this database will be managed with a new system named as Collateral Information System. Following instructions are issued hereunder for submission of collateral information according to the input structure of collateral database finalized by the bureau:

      1. All information on the aforementioned collaterals has to be uploaded to the system through two Text Files named as Security data file and Subject data file.

      2. Data pertaining to Land, Flat, Building and Capital Machineries have to be reported in Security Information Table, mortgage information related to Land, Flat or Building has to be reported in Mortgage Information Table and hypothecation information related to Capital Machineries has to be reported in Hypothecation Information Table of Security Data File. Apart from this, when a security (Land, Flat, Building and Capital Machineries) is mortgaged or hypothecated its related link information has to be reported in Security-Link table.

      3. In addition to subjective information of borrower, owner's and mortgagor's subjective information of the security has also to be reported in Subject Information Table of Subject Data

File. Furthermore, in order to link the owner with his/her security, Subject-Security Link information has to be reported in Subject-Link Table. In case of mortgage, borrower and mortgagor have to be linked with mortgage information through Subject-Mortgage Link and in case of hypothecation, borrower has to be linked with hypothecation information through Subject-Hypothecation Link in Subject-Link Table.

4. Collateral information has to be uploaded to the Collateral information system on quarterly basis.

5. March' 2018 Collateral Batch Contribution has to be uploaded to the system on or before 31 May' 2018.

6. From June' 2018 Collateral Batch Contribution and onwards, every Quarterly Collateral Batch Contribution has to be uploaded to the system on or before 20th of the quarter ending following month.

7. During sanctioning a loan, from Collateral Information System it is mandatory for all banks/FIs to collect collateral report of the security which is supposed to be mortgaged.

This circular will be effective with immediate effect.

Yours faithfully

(Monsura Khatun)
General Manager
Phone: 9530133