

Master Circular on Electronic Credit Information Bureau (eCIB) of State Bank of Pakistan

1. Purpose of eCIB:

- 1.1 Credit Information Bureau collects and collates credit data on borrowers from its member Financial Institutions (FIs). The financial data is then aggregated in the system and the resulting information (in the form of credit reports) is made available online to the member FIs for the purpose of credit assessment and credit risk management. The major purpose of this system is to enable the Financial Institutions (FIs) to know the credit history of their current and prospective customers thus enabling them to make informed and timely lending decisions.

2. Types of Credit Reports:

- 2.1 Currently, the member FIs can generate two types of reports from the eCIB system i.e. eCIB report for (i) Consumer/ Individual Borrowers and (ii) Corporate Borrowers by paying the service charges as specified by SBP from time to time (the FIs may recover only actual charges from their customers). Consumer Credit Report reflects the credit information of individuals/sole proprietorship borrowers while Corporate Credit Report reflects the credit information of public/private companies, firms/partnerships, corporations, and other forms of businesses.
- 2.2 The eCIB report contains position of funded & non-funded facilities including the amount of outstanding, overdue, write-off and repayment history of the borrower. However, eCIB report does not debar any FIs from taking credit exposure on borrowers with over dues/ late payments/ write-offs in their credit reports. The FIs make their own lending decisions based on their credit policies, the past track record of borrowers, and their repayment capacity.

3. Confidentiality of eCIB Reports:

- 3.1 Under section 25-A of the Banking Companies Ordinance 1962, the information of the eCIB is confidential and can only be used by SBP and its member FIs for their internal use and cannot be shared, published, or disclosed.

In order to facilitate the member FIs, consolidated general and specific instructions for reporting borrower's credit information to eCIB of SBP (as per format already shared and attached herewith at Annexure 1 to 4) are as follows for their meticulous compliance:

4. General Instructions for all the eCIB Member FIs for Reporting to eCIB of SBP:

- 4.1 All the eCIB member FIs are required to submit monthly data of their borrowers (excluding staff loans allowed to their employees in light of their boards' approved HR policies) electronically through the system to eCIB of SBP by the 10th of every month. In case of any problem at the end of the FI, the request for extension should be made by at least the Departmental/Business/Group Head of the respective FI along with proper justification to Director BC & CPD.
- 4.2 The member FIs are required to ensure correct, complete, and up-to-date reporting of information to SBP. In case of any wrong/ misreporting, the FI will be responsible for legal and other consequences.
- 4.3 The member FIs should also ensure upfront disclosure to their current and potential customers at the time of credit approval regarding the eCIB reporting requirements and the implications of any delinquency or non-payment of their liabilities on a timely basis.
- 4.4 Before reporting an overdue/ late payment of the concerned borrower (s) (i.e. Corporate/ Consumer/ Individual) to eCIB, the member FIs shall send an intimation letter on their registered address or registered e-mail address to the concerned borrower (s) before reporting 90 days overdue against his/ her name to eCIB. Such letter shall, inter alia, inform the borrower about the implications of

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- reporting of name to eCIB, and allow a reasonable period (at least 15 days) for reconciliation/ settlement of overdue liabilities.
- 4.5 In case of any financial relief i.e. write-off/waiver/restructuring or any other relaxation allowed to a customer, the concerned FI should clearly mention in the offer, settlement, or clearance letter as the case may be in bold legible letters about its reporting to eCIB.
- 4.6 In case of subsequent clearance by the borrower of overdue/ defaults, the member FIs shall invariably report the same to eCIB online through the interim update option of the system, within three working days from the date of such repayment/ settlement.
- 4.7 The member FIs are required to report any financial relief allowed to their customers as write off/ waiver in eCIB, however, the financial relief does not include financial reversals (such as credit card fee, annual charges, bank's commission, late payment charges, etc.) made by the FIs as per their own policy/ industry practices, on regular consumer loans/ financing. Hence the member FIs are not required to report the same to eCIB.
- 4.8 The member FIs should only report the actual amount of write-off/ waiver for which the FI recorded the accounting entry in their books.
- 4.9 A write off/ waiver/ payment holidays announced and allowed to certain borrowers by the Federal/ Provincial Governments or by SBP due to any type of catastrophe or force majeure such as earthquake, flood, pandemic or war, etc., shall be exempted from the eCIB reporting as overdue/ write off/ waiver/ restructuring, etc.
- 4.10 In cases of litigation(s), the member FIs should report the specific disputed amount which is under litigation in any court of law in the column 'under litigation' in the provided formats.
- 4.11 The member FIs should not report loan/advances facility (ies) of the borrowers, which are either expired/ matured or fully paid off and having no outstanding liabilities against the subject facility (ies).

5. Specific Instructions for all the eCIB Member FIs for Corporate and Consumer/ Individual Borrowers Credit Reporting:

5.1 Corporate Credit Information Reporting:

The member FIs should ensure the following in case of reporting of the credit information of their corporate borrowers (i.e. Private/ Public Limited Companies/ Corporations/ Firms/ Partnerships etc.).

- 5.1.1 The member FIs should arrange borrower code for their borrowers and their group/associated companies by searching the eCIB system/approaching SBP for issuance of the borrower code after conducting proper due diligence and providing required particulars to SBP.
- 5.1.2 The member FIs should ensure to report correct, complete, and up-to-date information related to borrowers like name, NTN number, facilities details and updated information of Directors and their CNICs as per the latest BBFS/Loan Application Form and SECP record.
- 5.1.3 The member FIs should ensure to report the overdue, classification category, risk ratings, etc. as per the format attached herewith.
- 5.1.4 Similarly, in the case of rescheduling/ restructuring of loans and advances, the member FIs should report only once when the loan/ advance is rescheduled/ restructured. However, in the case of consortium/ syndicated financing, if a loan facility (ies) of a customer is/ are

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rescheduled/ restructured, only the lead/ agent FI should report the same into eCIB, when it is rescheduled/ restructured. The history of the rescheduling/ restructuring will appear in the credit report for 5 years.

- 5.1.5 Write-off/ waiver allowed by the FI to its corporate borrowers will be reported in the same month data, in which actual accounting entry for write-off/ waiver is recorded/ passed in the books. The same will be reflected in the eCIB report of the concerned borrower for the period specified by SBP from time to time, currently, it is 10 years.
- 5.1.6 While the subsequent recovery in the reported write-off/ waiver shall be reported by the FI in the field of “Amount recovered against the written-off amount” as per the prescribed format.

5.2 Consumer/ Individual Borrowers Credit Information Reporting:

The member FIs should ensure the following in case of reporting of the credit information of their consumer/ Individual borrowers:

- 5.2.1 In case of charge off loans and advances under the relevant regulations of SBP currently applicable to agriculture and microfinance borrower, the member FIs are required to report the same as overdue instead of write-off/ waiver till the time it is actually written-off/ waived off as per their board’s approved policies.
 - 5.2.2 The member FIs while issuing NOC should explicitly mention that the negative history (i.e. overdue/ late payment/ write-off/ waiver.) will be reflected for two years after settlement.
 - 5.2.3 The member FIs should only report their borrower’s loans/ advances data to eCIB and avoid reporting of the advance/ instant balance/ top-up amounts allowed by the cellular companies for their prepaid or postpaid customers. In case of overdrawn deposit (s) account due to their systems or operational errors/lapses, the FIs should fix their systems and avoid its reporting to eCIB.
 - 5.2.4 The member FIs shall not report overdue/ write-off of auto and other similar loans of those borrowers/ lessees to eCIB, whose vehicles financed/ leased by them have been stolen or snatched/ total loss, provided the respective FI is fully secured to recover the entire outstanding amount from an insurance company under a valid insurance policy.
- 6. The member FIs should strictly comply with BC & CPD Circular No.1 of 2021 for ensuring quality data reporting in eCIB of SBP.
 - 7. The member FIs should create awareness of eCIB reporting and its positive and negative implications for its customers and relevant staff members through proper guidance, disclosure and display in their branches and websites.
 - 8. In case of any dispute/ complaint, the FIs should resolve the customer complaint within the timelines stipulated by SBP from time to time through a well-defined consumer grievance handling mechanism and avoid unnecessary referral of the complainants/ borrowers towards SBP for its resolution until and unless it is unavoidable.
 - 9. The member FIs should regularly review the borrower’s financial and non-financial data and in case of any discrepancy/ inaccuracy, amend/ update the same accordingly to avoid unnecessary complaints.