

CREDIT INFORMATION REGULATION 2011

(unofficial English translation)

As amended by the **First Amendment to Regulation Number 2011/R-29**
(Credit Information Regulation 2011)

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CREDIT INFORMATION REGULATION 2011

CHAPTER I

PRELIMINARY

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| Purpose and Authorization | 1. This Regulation is issued pursuant to section 37 and section 66 of Law No.: 24/2010 (Maldives Banking Act). The objective of this Regulation is to prescribe into the legal framework, the rights, responsibilities and functions of the Maldives Monetary Authority and the Members of the credit information system established by the Authority. |
| Short title | 2. This Regulation may be cited as the “Credit Information Regulation 2011” |
| Application | 3. This Regulation applies to all Members, the Authority, and any person who is permitted to have any access to the information maintained by the Credit Information System operated by the Authority. |
| Commencement | 4. This Regulation shall come into force with effect from 4 July 2011. |

CHAPTER II

GENERAL PROVISIONS

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| Credit institution to be a Member of the Credit information System | 5. (a) All the institutions within the definition of Credit Institutions mentioned in paragraphs (a) to (c) of section 19 of this Regulation, in existence, on the commencement of this Regulation, or within such extended period as the Authority may allow on its application, shall become Member of the Credit Information System operated by the Authority.

(b) Any institution, within the definition of Credit Institutions mentioned in paragraphs (a) to (c) of section 19 of this Regulation, which establishes after commencement of this Regulation, within 3 (three) months from its establishment or within such extended period as the Authority may allow on its application, shall become Member of the Credit Information System operated by the Authority. |
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- (c) An institution, within the definition of Credit Institutions mentioned in paragraphs (d) and (e) of section 19 of this Regulation, upon request of the Authority shall become a Member of the Credit Information System operated by the Authority, within such time period as the Authority may request.
 - (d) All the institutions, within the definition of Credit Institutions mentioned in paragraphs (f) to (h) of section 19 of this Regulation, may become a Member of the Credit Information System operated by the Authority, subject to the terms and conditions as the Authority may impose.
- Members to obtain information from the Authority**
6. Licensed banks, finance companies, finance leasing companies and insurance companies who are Members shall obtain a credit information report or other necessary information from the Authority before granting or renewing any credit facility.
- Functions of the Authority in relation to the Credit Information System**
7. Subject to the provisions of this Regulation, the Authority shall have the powers:-
- (a) to collect, assess, collate, synthesize, process Credit Information received from the Members, in such manner as it thinks fit so as to generate Credit Information Reports;
 - (b) to provide Credit Information Report and any other credit information to a person listed under section 10 of this Regulation;
 - (c) to investigate the complaints received in relation to the completeness or accuracy of any information maintained by the Credit Information System, or complaint received as to breach of this Regulation or Membership Agreement or Code of Conduct; and
 - (d) to any other function as the Authority deems necessary for the operation of the Credit Information System.

CHAPTER III

SUPPLY OF INFORMATION

- Supply of Information to the Authority**
8. (a) Subject to the Membership Agreement, each Member must provide Credit Information on all Customers to the Authority, in such formats and frequency as specified in the Membership Agreement and the Code of Conduct, or in such other form as the Authority may request.

**Protection for action
taken under this
Regulation by any
Financial
Institutions**

- (b) Each Member shall provide the information pursuant paragraph (a) above to the Authority in relation to its:-
 - (1) existing Borrowers, from the date of the commencement of this Regulation or within such extended period as the Authority may allow; and
 - (2) new Borrowers as soon as practicable upon granting of such Credit Facilities.
 - (c) Each Member shall regularly update all information provided to the Authority pursuant to the terms of the Membership Agreement and take all necessary steps to ensure that the information supplied by it (including all updates) are accurate, complete, correct and as current as is practicable.
- 9.**
- (a) Notwithstanding anything in any other law, the exchange of Credit Information through the Credit Information System, by the financial institutions, for the purpose of discharging any duty or function under this Regulation shall not amount to breach of Confidentiality by such financial institutions.
 - (b) Notwithstanding anything in any other law, no financial Institution licensed by the Authority shall be liable or subject to any action or proceeding in any court, in respect of any loss or damages suffered or incurred, or alleged to have been suffered or incurred, by any person, by reason or any act or thing done, or omitted to be done, bona fide, by such financial institution, for the purposes of performing or discharging any duty or function imposed on, or assigned to, such financial institution under this Regulation or on the faith of any information furnished to such financial institution by the Authority.

CHAPTER IV

ACCESS TO INFORMATION

**Authorised
Recipients of the
Information, and
Authorised
Information**

- 10.**
- (a) The Authority may, upon a request made to it by a Member, furnish a Credit Information Report or other information that can be provided, for the following purposes.
 - (1) Evaluating or ascertaining the creditworthiness of any Person;
 - (2) Reviewing or monitoring the information of existing customers; or

- (3) Collection of outstanding credit of existing customers.
 - (b) Where a Person requests for a Self-Inquiry Report relating to that Person, the Authority may furnish such reports to that Person.
 - (c) The Authority may impose such conditions as the Authority deems fit when furnishing a Credit Information Report, Self-Inquiry Report, or any other credit information.
- Charges and Fees** **11.** Each Person receiving such reports or such service, shall pay to the Authority the fees and charges prescribed by the Authority for providing a Credit Information report, Self-Inquiry Report or for any other services as may be provided under a membership agreement.

CHAPTER V

PRIVACY

- Responsibilities of the Authority** **12.** (a) In providing the Credit Information Report or any other information generated by the Credit Information System, the Authority shall ensure that everything reasonably within power of the Authority is done to prevent unauthorised use or disclosure of the information.
- (b) The Authority shall not disclose any information received from a Member to any person other than persons mentioned under section 10 of this Regulation, except when lawfully required to do so by a court order.
- Unauthorised disclosure by officers or employees of the Authority** **13.** (a) No officer or employee of the Authority shall disclose information received from the Members and information maintained in the Credit Information System to any person, except for the purpose of performance of his duties or when lawfully required to do so by a court order.
- (b) Any person who intentionally contravenes paragraph (a) above shall be fined by an amount between 10,000 (ten thousand) and 500,000 (five hundred thousand) Rufiyaa and such person shall be immediately dismissed.
- Responsibilities of Members in respect** **14.** (a) Each Member shall ensure that it does not request for a Credit Information Report or any other information from

**of information
obtained from the
Authority**

the Authority unless such request is made for a Permissible Purpose.

- (b) Each Member shall only use Credit Information Report or any other information obtained from the Authority for a Permissible Purpose and/or such other purposes as permitted by the Authority.
- (c) Each Member shall ensure that all necessary precautions are taken to ensure that all information provided to it by the Authority is properly and accurately recorded and maintained; protected against loss; protected against unauthorised access, use, modification or disclosure, and shall take all the measures provided in the Membership Agreement and Code of Conduct as to safeguard the security of information provided to it by the Authority.
- (d) A person or a Member shall not, by a false pretence, obtain access to information in the possession or control of the Authority.
- (e) No director or employee of a Member shall disclose any information provided to the Member by the Authority, except when required to do so by a court order.
- (f) Each Member shall ensure that every director, officer or employee of the Member who has access to the information provided by the Authority, sign a declaration pledging himself to keep secrecy in respect of information obtained by such Member from the Authority, and all matters relating thereto, and shall by such declaration pledge himself not to disclose any such information except when required to do so by a court order.
- (g) Any person or a Member who intentionally contravenes paragraph (a), (b), (c), (d), (e) and (f) above, shall be fined for an amount between 10,000 (ten thousand) and 500,000 (five hundred thousand) Rufiyaa..

**Security and
safeguard measures**

15. The Authority and every Member shall ensure that the information received under this Regulation or Membership Agreement is protected, by adopting such security safeguard measures in relation to their daily operations against loss, against unauthorised access, use, modification or disclosure, and against other misuse, including the following measures by:-

- (a) adopting the minimum standards for physical and operational security including site design, fire protection, environmental protection;
- (b) maintaining physical security at all times, including electronic surveillance and access control;

- (c) establishing and following standards for handling electronic media that carries information;
- (d) restricting access to the network only to authorized personnel and users;
- (e) ensuring that the Credit Information and Credit Information Report must be disclosed only on a strictly need-to-know basis and strict control must be exercised over internal and external distribution of sensitive information;
- (f) using antivirus software, intrusion prevention and intrusion detection systems to protect all systems;
- (g) ensuring firewall protection of all systems, independently test firewalls and systems for vulnerability and monitor access to the Credit Information System network;
- (h) following security standards for software and hardware lifecycles (updates and end-of-life);
- (i) maintaining business continuity plans for the Credit Information System; and
- (j) taking necessary steps while handing over systems for maintenance to prevent unauthorized access or loss of data, information and credit information maintained by Credit Information System.

CHAPTER VI

MISCELLANEOUS PROVISIONS

- Corrective Measures** 16. (a) The Authority, may take any one or more of the measure stipulated in paragraph (b), in cases where it determines or has reason to believe that a Member has:-
- (1) violated any provision of this Regulation, Membership Agreement, or Code of Conduct or any instruction or order issued by the Authority in relation to the operation of the Credit Information System; or
 - (2) failed to provide any information as provided in this Regulation, Membership Agreement or Code of Conduct.
- (b) The Authority may take any one of the following actions:-
- (1) send a written warning to the Member;
 - (2) enter into an agreement with the Member regarding measures to be taken to correct violations and

establishing a timetable for accomplishing such action; or

- (3) Without limiting the responsibilities of Member under section 8 (a), (b) and (c) of this Regulation, suspend (temporarily or permanently) any service provided to such a Member by the Authority pursuant to the Membership Agreement.

**Addressing
Complaints and
Issues**

- 17.** (a) Where a Person believes that the information relating to that Person in the Credit Information System is false, incomplete, invalid, or outdated, such Person may submit the issue to the Authority.
- (b) Pursuant to an application made under subsection (a) of this section, where the Authority finds that Credit Information in the Credit Information System needs to be amended, the Authority may direct the Member who provided that information to amend the information.
- (c) Each Member shall establish an adequate complaint handling mechanism capable of resolving complaints and issues lodged under this section.

Final Provisions

- 18.** (a) Members shall fully adhere to this Regulation, Membership Agreement, Code of Conduct, or any directive issued by the Authority in relation to the operation of the of Credit Information System.
- (b) A member shall not disclose any information reported in the credit information report issued to it by the Authority for any other purpose other than the permissible purpose defined under this regulation.
- (c) Subject to this regulation, the credit information report shall not be offered for sale, publicized or disclosed to any other party without the prior consent of the Authority.
- (d) The Authority takes no responsibility for any errors or inaccuracies in the information arising from the information being obtained from the Members containing the same errors or inaccuracies.

Definitions

- 19.** In this Regulation, unless the context otherwise requires:

“*Authority*” means the Maldives Monetary Authority established pursuant to Law no. 6/81 (Maldives Monetary Authority Act)

“*Borrower*” means any person who has been granted a loan or any other Credit Facility by a Credit Institution and includes a Customer of Credit institution;

“*Customer*” includes:-

- (a) a guarantor or a person who proposes to give guarantee or security for a borrower of a credit institution; or
- (b) a person:
 - (1) who has obtained or seeks to obtain credit facility from a credit institution, by way of loans, advances, hire purchase, leasing facility, letter of credit, guarantee facility, venture capital assistance or by way of credit cards or in any other form or manner; or
 - (2) who has raised or seeks to raise money by issue of security or commercial paper or any other debt instrument.

“*Credit facility*” means any disbursement or commitment to make a disbursement of a sum of money in exchange for the right to receive repayment of the amount disbursed and outstanding and to payment of interest or other charges on such amount, and includes any extension of the due date of a loan or debt, any guarantee issued, and any purchase at par or at discount of a debt security or other right to receive payment of a sum of money. This includes loans, advances, hire purchase, leasing facility, letter of credit, guarantee facility, utility services or telecommunication services provided on credit;

“*Credit Information*” includes but not limited to the following types of information:

- (a) Identification information:
 - (1) name;
 - (2) address;
 - (3) sex;
 - (4) date of birth;
 - (5) employment details;
 - (6) national identification number, work permit number, business registration number;
 - (7) contact numbers; and
 - (8) any other information that can be used for the identification of the borrower.
- (b) Any positive and negative information relating to:-
 - (1) details of the Credit Facilities granted by a Credit Institution to any borrower or class of

borrowers, including loans and advances, credit and charge card facilities, hire purchase, leasing finance, letter of credit, guarantee facilities, venture capital assistance;

- (2) the nature of security taken by a Credit Institution from any borrowers for credit facilities granted to any borrower or class of borrowers;
- (3) any guarantee or any other fund based facility furnished by a Credit Institution for any of its borrowers;
- (4) the means, history of credit transactions and the creditworthiness of any borrower or class of borrowers or customers;
- (5) details of insurance policies payable in instalments provided by insurance companies; and
- (6) any other information which the Authority may consider necessary for inclusion in the credit information to be collected and maintained by the Authority;

“Credit Institution” means and includes:-

- (a) a licensed bank;
- (b) a finance company;
- (c) a finance leasing company;
- (d) an insurance company;
- (e) any other financial institution licensed by the Authority;
- (f) a company providing telecommunication services on credit;
- (g) a company providing utility services on credit; and
- (h) Any other institution, engaged in providing credit, declared by the Authority to be a credit institution for the purpose of this Regulation.

‘Credit Information System’ means the system established and operated by the Authority to collect and collate the credit information of borrowers of credit institutions that are Members of that system, and to provide Credit Information Reports and other information and reports as

determined by the Authority on the request of Persons specified in this Regulation.

‘Credit Information Report’ means a report which is based on the Credit Information received by the Authority, prepared in a format determined by the Authority and provided in writing or by electronic means.

“Code of Conduct” means the code of conduct of the Authority and Members which stipulates the principles governing the actions of the Authority and the Members; and the relationship of the Authority and the Members;

“Financial Institution” means any entity which, pursuant to Maldivian law, as such may be amended from time to time is under Authority’s jurisdiction, including but not limited to a bank, finance company, finance leasing company, insurance company, Islamic bank and money transfer establishments;

“Member” means a Credit Institution which has entered into a Membership Agreement with the Authority, to be member of the Credit Information System operated by the Authority;

“Rufiyaa” means Maldivian Rufiyaa;

“Permissible Purpose” means the purpose of assessing the creditworthiness of a Borrower or Customer in connection with an application for credit by such Borrower or Customer or a review of the account of the Borrower or Customer, or any other purpose permitted by the Authority; and

“Person” means a natural person, or legal entity, including company, corporation, associate, trust, joint venture, partnership or other business enterprise.

‘Self-Inquiry’ means a report provided upon the request of someone, which is based on the Credit Information of that Person received by the Authority, prepared in a format determined by the Authority and provided in writing or by electronic means to that Person.