

BB launches CIB online services

FE Report

The central bank is now ready to provide its Credit Information Bureau (CIB) reports to the banks and financial institutions within a few seconds, Bangladesh Bank (BB) Governor Atiur Rahman said Tuesday.

"Once the enquiry information is submitted to the system by the banks and financial institutions, CIB report will be automatically generated within five seconds instead of five working days earlier," the central bank chief said while commissioning the online CIB

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services at a local hotel.

Under the new services, the banks and non-banking financial institutions (NBFIs) will furnish credit information to CIB database online from their own sites instead of physical transfer compact disks (CDs) and they will also access credit reports from CIB online at their own websites obtaining reports printed on paper.

The BB Governor also said the newly established automated CIB will provide credit information including credit history of last two years for prospective and existing borrowers.

"The automated CIB will play a key role in creating a disciplined lending environment in the country," Dr Atiur Rahman said, adding it will also decrease the cost of doing business and will also contribute to extending business-easing culture in Bangladesh.

The country's number of

borrowers now stood at around 9.25 million, the central bank chief said, adding it is a very difficult task to collect, preserve and deliver information relating to credit to the large number of borrowers.

Currently, the commercial banks and NBFIs submit 5,000 to 6,000 applications for CIB reports every working day, Dr Atiur Rahman added.

Among others, Senior Deputy Governor of the BB Nazrul Huda, Head of South Asia Enterprise Development Facility (SEDF) Advisory Service in South Asia Ian Crosby and Senior Private Sector and Market Development Adviser of the Department for International Development (DFID) Catherine Martin also spoke on the occasion.

Italian company CRIF was selected as vendor of the CIB online project on March 30, 2009. The vendor started work from May 3, 2009.

According to the project plan, due date of the project, funded by the DFID, to

become live was October 2010.

"Due to lack of readiness of banks and NBFIs for the new system and insufficiency of data, finally the project went live on July 19, 2011," a central bank statement said.

Under the existing provisions, any outstanding loan worth Tk 50,000 or above is included in the CIB reporting system.

The CIB was set up on August 18, 1992 in the central bank aiming to improve credit risks and reduce the extent of default loans.

Bankers, however, welcomed the introduction of online CIB services saying that it would help take decision on sanctioning and disbursement of the loans.

"It will be able to make a positive impact on the country's overall economic activities," Managing Director of the Prime Bank Limited M Ehsanul Haque told the FE after launching of the CIB online services.