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Current State Assessment (CSA) for

Backend Operations Escrow Department of Commercial Bank of Dubai (CBD)

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Executive Summary

Objective

This report analyzes and documents the current state of the escrow account management process for real estate development projects. It includes identifying key inefficiencies, risks associated with manual processes, and opportunities for automation to improve workflow efficiency, compliance, and reporting accuracy.

Focus

The report highlights how manual tasks and disconnected systems create inefficiencies in escrow management. It emphasizes the impact of repetitive manual effort, lack of system integration, and fragmented workflows, leading to data inconsistencies and delays in key processes such as approvals, reconciliations, and reporting.

Outcome

The objective is to recommend actionable automation strategies, seamless system connectivity, and process enhancements to optimize operations, minimize human errors, and ensure CBD's escrow processes remain efficient and compliant.

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1. Process Maturity Rating Framework

The table below outlines the Process Maturity Rating Framework for back-office escrow operations, specifically targeting areas involving manual processes. It's divided into three primary sections: the Collection Process, the Withdrawal Process, and the Owner Association Process. This framework facilitates the evaluation of each identified process's maturity level on a scale from 1 to 5, where:

1 Fully manual, with no automation
2 Manual with some automation
3 Semi-automated, with key parts still manual
4 It's mostly automated with a few manual exceptions.
5 Fully optimized and automated

Process Area	Current Maturity (1-5)	Comments
Collection Process		
Account opening process	2	All accounts are created for developers. The maker manually updates account details on the Excel tracker and TAS.
(BO)Business Object Report Generation	2	The system takes 24 hours to generate the BO report.
Data Entry from BO Report into Excel Tracker	1	Upon the investor's deposit, the maker downloads the BO Report detailing collection specifics & updates the Excel tracker.
Transaction Approval & Tracker Update	1	The checker approves the transactions on TAS and updates the Excel tracker.
Withdrawal Process		
Developer Withdrawal Request Process	2	The developer initiates a withdrawal request on TAS.
SMART Form Submission	2	The developer enters the details in the SMART form for withdrawal provided by CBD *(on their website)* submits the hard copy to CBD's Head office.
Document Transfer	1	CBD Head Office will send the hard copy of the Smart Form to the Escrow Back office via EMPOST courier service.
Bank engineer site Assessment & Release Approval	2	The project is added to the bank engineer's queue. The engineer visits the site, creates a technical report, and approves the release via TAS.
Escrow Back-office Updates & Verify	1	The maker updates the Excel tracker, reviews & verifies engineering approvals/documents, and compares them with TAS.
Withdrawal Submission Process	2	The maker submits the withdrawal request to the remittance team via KOFAX (*a system for storing scanned documents*).
BO report download & review	2	The maker downloads the BO report with the reference number and sends it via email to the checker for review.
Request validation	2	The checker compares the reference number with the TAS.

Owner Association Account		
Developer - Budget Allocation Account Creation for CMC (*Community Management Centre*)	2	After successfully completing the project, the developer initiates a budget request on Mollak. Manual data entry is performed across multiple systems (*Mollak, Excel trackers, etc.)* to create a CIB (*corporate Internet banking*) profile.
Budget Approval & Allocation	1	Once RERA approves the budget, the Escrow team will download the budget allocation report from Mollak in an Excel tracker.
Document Review & Tracker Update	2	The maker will validate the documents *(i.e., tax invoice*) on CIB and update the Excel tracker.
Payment Approval by Checker	1	Checker receives payment approval via email on CIB.

2. Gap Analysis

This table identifies the gaps between the current and desired future states of back-office escrow operations, focusing on manual processes that could be digitized. It highlights areas where automation can streamline workflows, reduce errors, and enhance efficiency.

Process Area	Current Gap	Root Cause	Impact	Recommendation
Collection Process				
Account opening process	Manual entry of data into the Excel Tracker	Lack of integration	Time consuming, Prone to human error	Implement system integration between TAS, OPCRM (*CBD internal portal)* &Excel Tracker to digitize data entry.
(BO)Business Object Report Generation	BO generation takes 24 hours	Systems are not unified	Delayed report	Automatically link to the SAP (*CBD internal system).*
Data Entry from BO Report into Excel Tracker	Daily download &copy data into Excel tracker.	The system is not automated	High probability of Missing or Incomplete Data	Data from the BO report will be automatically fetched to the digital tracker in real-time.
Transaction Approval & Tracker Update	Lack of Automation in Tracker Updates	No digital workflow	Delays in approval, errors in tracker data	Streamline the approval workflow.
Withdrawal Process				
Developer Withdrawal Request Process	Withdrawal requests not integrated with the CBD online system	Systems are not unified	It requires additional effort to fill out the SMART form	Unify the TAS system with the new CBD digital system.
SMART FORM Submission	No digital submission	Absence of automated submission tools	Manual form submission (hard copy)	Implement an online submission system with e-signatures.
Document Transfer	Hard copy Smart Forms sent via EMPOST courier service	Lack of integration	Increased costs due to courier fees	Develop an integrated workflow for automatic document submission.

Bank engineer site Assessment & Release Approval	The site assessment doesn't have real-time reporting	No digital workflow	Prone to human error & delay	Streamline communication channels between engineers and another system (*TAS, CBD's new digital system*).
Escrow Back-office Updates & Verify	Time-consuming verification process	Inefficient verification methods	Delayed approvals, errors in documents	Streamline verification process.
Withdrawal Submission Process	No real-time status update for the request	KOFAX doesn't provide immediate visibility into request progress	The manual process requires additional time	Implement digital system alerts for progress tracking.
BO report download & review	BO report system tracking is not automated	Reports are downloaded daily and copied into the Excel tracker	Increased risk of human error requires additional time &effort	Data from the BO report will be automatically fetched to the digital tracker in real-time.
Request validation	The high volume of emails	The absence of a centralized, digitized system for managing requests & approvals	Increased workload, leading to inefficiency and potential errors	Streamlining the process for instant approval.
Owner Association Account				
Developer - Budget Allocation Account Creation for CMC (*Community Management Centre***)**	Manual entry across multiple systems	Lack of integrated systems for data entry	Time-consuming, prone to errors, delays in approvals	Automate data entry with system integration.
Budget Approval & Allocation	Daily download &copy data into Excel tracker.	No digital workflow	Inaccurate data, additional manual steps required	Develop a unified system.
Document Review & Tracker Update	Time-consuming process	Absence of an automated system	Risk of human error, slow processing times	Implement an online review & tracking system.
Payment Approval by Checker	No automated approval	Lack of a digitized system for approval status	Increased workload, leading to inefficiency and potential errors	Streamline verification process.

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3. Pain Point Heatmap Framework

The heatmap below visually represents the pain points and potential quick wins within the Escrow processes that involve manual tasks. The color coding is as follows:

- **High Severity (Red):** Critical pain points leading to delays, errors, or regulatory risks.
- **Medium Severity (Yellow):** Pain points that affect operational efficiency
- **Low Severity (Green):** Minor pain points that don't cause immediate disruptions

Process Step	Pain Point Description	Severity	Potential Quick Win
Account Creation	Updates on Excel and TAS are prone to errors.	**High**	Implement a system that integrates account creation and updates across platforms.
BO Report Generation	It takes 24 hours to generate, slowing down the process.	**High**	Optimize the BO report generation process for faster turnaround.
Data Entry from BO Report	Entry of collection details into Excel is time-consuming.	**High**	Link BO reports directly to Excel to auto-populate details.
Transaction Approval & Tracker Update	Updates to Excel are error-prone during transaction approvals.	**Medium**	Streamline the approval process by integrating with Excel for smoother updates.
Developer Withdrawal Request	Initiation of withdrawal requests causes delays.	**Medium**	Create a more efficient process for initiating withdrawal requests through TAS.
SMART Form Submission	The submission process is time-consuming.	**Medium**	Shift to a digital platform for submitting SMART forms.
Document Transfer	Using additional outside services (*EMPOST courier service)*	**High**	Transition to a secure digital document transfer system.
Escrow Back-office Updates & Verify	Verifying documents & updating records increases workload, leading to potential errors.	**High**	Introduce a system to streamline document verification & tracking updates.
Withdrawal Submission to Remittance	Using additional steps in the process, such as scanning documents via KOFAX.	**Medium**	Transition to a faster, centralized submission system for withdrawal requests.
BO Report Download & Review	Downloading and reviewing BO reports leads to delays.	**Medium**	Simplify the download and review process with better system integration.
Request Validation	Comparing reference numbers between TAS and BO reports is prone to errors.	**Medium**	Implement a feature to cross-check reference numbers between TAS & BO reports.
Budget Allocation Request	Entry of data across multiple systems slows the process.	**High**	Integrate Mollak, Excel, and CIB systems to ensure seamless data transfer.
Budget Approval & Allocation	Delays in syncing reports between Mollak and Excel.	**Medium**	Automate the syncing process between Mollak and Excel for faster updates.
Document Review & Tracker Update	Reviewing documents and updating trackers is slow.	**High**	Implement a more efficient document review system that updates trackers in real time.
Payment Approval by Checker	The email-based approval process causes delays.	**Medium**	Introduce a centralized platform for faster payment approvals.

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4. Automation Opportunity Matrix

This matrix helps rank Escrow process steps by their automation potential (High, Medium, Low) and estimated benefit (Cost Savings, Risk Reduction, Efficiency Gain).

Process Step	Current Manual Effort	Automation Potential (H/M/L)	Benefit Type	Expected Impact
Collections & Reconciliation	Manual reconciliation causes delays and errors.	**High**	Faster processing, fewer errors.	Seamless reconciliation and accurate reporting.
Account Opening & Setup	Data entry and verification are slow, and there is a high chance of error.	**Medium**	Reduced errors and faster onboarding.	Quick setup, fewer manual interventions.
Report Generation & Data Management	Reports require manual formatting and validation.	**High**	Automated reporting, accurate data.	Timesaving, error-free reporting.
Approval Workflows & Compliance	Approvals via emails/spreadsheets are inefficient.	**High**	Optimized decisions, better tracking.	Compliance-ready, streamlined approvals.
Withdrawal Requests & Fund Disbursement	Manual processing leads to slow approvals and risks.	**High**	Quicker processing, lower risks.	Faster withdrawals and transparent tracking.
Document & Smart Form Processing	Forms and documents are manually exchanged.	**High**	Automated tracking and compliance ensured.	Eliminates delays and improves efficiency.
Escrow Back-Office Operations	Back-office updates require manual effort.	**High**	Real-time updates, less manual work.	Reduces workload and real-time accuracy.
Owner Association & Community Management	Manual budget tracking and account setup delays.	**Medium**	Faster approvals and better planning.	Organized budgets, faster processing.
Request Validation & Audit	Request validation is time-consuming and risky.	**Medium**	Stronger fraud detection and accuracy.	Safer transactions and quicker approvals.
AI-Assisted Payment Approval	Payments require multiple manual verifications.	**High**	Digitalization, Accuracy, reduced workload.	AI automates checks and speeds up payments.

5. CSA Summary Dashboard

The table below presents the CSA Summary Dashboard for Escrow operations, highlighting key areas such as Processes, Technology, Data & Reporting, Compliance & Governance, Internal Controls, Scalability, and Risk Management. The following is the Key for the Priority Levels:

High (H): Processes that are critical and must be addressed immediately due to their significant impact on efficiency, compliance, and operational risks.

Medium (M): Processes that should be addressed but are less urgent than high-priority items. These can be worked on after the most critical issues are handled.

Low (L): Processes with a relatively lower impact do not require immediate action, though addressing them can still provide benefits.

Category	Summary	Priority Level
Processes	Manual data entry, report updates, and invoice verification across multiple systems (Excel, TAS, OPCRM, FR).	**High**
Technology	Absence of system integration between TAS, OPCRM, Excel Tracker, Freshworks, and CBD's system	**High**
Data & Reporting	Manual compliance reporting and insufficient automation for regulatory submissions.	**High**
Compliance & Governance	Siloed data and inconsistent formats due to manual updates and the absence of automated data-matching tools.	**High**
Internal Controls	Dependence on manual processes, limited process documentation, and no standardized workflows.	**High**
Scalability	Current systems and processes do not scale well, restricting efficiency as transaction volumes and projects increase.	**Medium**
Risk Management	Limited risk management capabilities result from fragmented data, manual approvals, and inadequate automation. The absence of real-time monitoring increases operational and financial risks.	**High**

6. Approach & Methodology

The Approach & Methodology adhere to a structured three-phase process to assess, design, and implement enhancements in CBD's escrow operations. This methodology ensures a comprehensive evaluation, formulation of targeted solutions, and a systematic execution plan, ultimately resulting in a more efficient and automated escrow system.

Phase	Key Activities	Deliverables
Phase 1: Discovery	• Kick off the project with the Escrow Department to define the scope, objectives, and timelines. • Conduct meetings with Escrow, ASU, and Remittance departments to identify pain points, gather requirements, and explore improvement opportunities. • Review existing process documentation and systems.	• CSA Plan • Current Flowchart • Proposed Flowchart • Detailed Current Process • Mockups of the Proposed System • Presentation
Phase 2: Solution Design	• Design solutions to address gaps and inefficiencies through automation and improved workflows. • Collaborate with the Escrow department to ensure feasibility and scalability. • Develop an implementation plan with timelines, resource allocation, and technology requirements.	• Solution Design Document • Mockups of the proposed system
Phase 3: Implementation (post-assessment)	• Collaborate with relevant stakeholders for system integrations, tool deployment, and process automation. • Monitor system performance, conduct user training, and provide support to ensure smooth transitions.	• Implementation Checklist • Training Materials and Support Documents • SMART solutions for Escrow Operations

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7. Recommendations & Quick Wins

The Recommendations & Quick Wins focus on enhancing efficiency, automation, and compliance in CBD's Escrow Management through phased improvements. The approach is divided into Short-Term (0-3 months), Medium-Term (3-9 months), and Long-Term (9-18 months) initiatives to gradually transition from manual processes to a fully integrated and automated system.

Short Term (0-3 months)

- **Centralized Data Repository for Escrow Data:**
  Create a unified and secure digital repository to house all escrow-related documents and transaction data. This will improve efficiency by eliminating silos of information and enabling quick access for stakeholders.
- **Standardized Payment Request & Approval Templates:**
  Develop and implement standard templates for payment requests and approvals to reduce inconsistencies and ensure clear communication across teams. These templates will streamline the process, minimize errors, and provide clear audit trails.
- **Escrow Team Training on Updated Processes & Tools:**
  Conduct targeted training sessions for the escrow team, ensuring they are familiar with new tools, updated workflows, and best practices. This will enhance team performance, reduce errors, and increase confidence in handling complex transactions.

Medium Term (3-9 months)

- **Workflow Automation for Payment Initiation & Approvals:**
  Automate the initiation and approval processes for payments within the CIB system to streamline operations and reduce manual intervention.
- **System Enhancements for:**
  - → **Developer/Vendor Payment Tracking:**
    Develop or enhance features in the system that allow for real-time tracking of payments to developers and vendors. This will provide both internal teams and external parties with visibility into the status of payments, reducing disputes and improving cash flow management.
  - → **Real-time Dashboards for Management & Developers:**
    Implement real-time, interactive dashboards for both management and developers to track project progress, payments, and approvals. These dashboards will offer key performance indicators (KPIs), transaction summaries, and notifications to keep all stakeholders informed and aligned.
- **Escrow Process Documentation & Standard Operating Procedures (SOPs):**
  Create detailed process documentation and SOPs to ensure consistency, compliance, and efficiency. These documents will serve as a reference for team members and auditors, improving overall transparency and reducing the risk of errors.

Long Term (9-18 months)

- **Implementation of a Centralized Escrow Management Platform:**
  Develop and implement a dedicated escrow management platform that integrates with existing systems (CIB, Mollak, RERA) to centralize and streamline the entire escrow process.
- **Developer & Vendor Portals for Direct Submission & Tracking:**
  Build self-service portals for developers and vendors where they can directly submit payment requests, track approval statuses, and view transaction history. This will enhance transparency, reduce administrative overhead, and foster greater collaboration between parties.
- **Integration with Core Banking & Regulatory Systems (RERA Trust Account System, Enterprise Payment Hub):**
  Achieve full integration with key systems such as RERA Trust Account System and Enterprise Payment Hub (EPH) to ensure seamless data exchange and compliance with regulatory requirements. This will improve the accuracy of financial data, speed up processing, and reduce the risk of manual errors.
- **Advanced Analytics for Escrow Monitoring & Forecasting:**
  Implement advanced analytics tools to provide insights into escrow data, including payment patterns, trends, and forecasting models. These tools will enable better financial planning, risk management, and decision-making for developers and escrow teams.

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8. Proposed Digital Roadmap

The Proposed Digital Roadmap outlines key initiatives aimed at automating, integrating, and optimizing CBD's escrow operations over the next 1 to 18 months. The roadmap prioritizes efficiency, compliance, and seamless user experience through phased digital transformation.

Initiative	Timeline	Owner	Expected Outcome
Centralized Project Tracker Platform	9-18 months	Operations/IT	Real-time tracking, streamlined project management, reduced manual effort
AI-Enabled Document Search & Retrieval	6-9 months	Product Team/AI Team	Enhanced agent efficiency in finding relevant documents with AI-powered super search
Automated Collection Process Integration	6-12 months	Operations/IT	Automation of the collection process, including automatic updates and email notifications to developers
Automated Withdrawal Request Handling	6-12 months	Operations/IT	Automated withdrawal request processing, including seamless integration with TAS and AI-generated summaries
Regulatory Reporting Automation	6-9 months	Compliance	Automated regulatory reporting, eliminating manual data entry, and enhancing compliance
Enhanced Developer Portal	6-12 months	Product Team	Seamless digital interaction for developers to track project status and handle requests
Bank Engineer & Escrow Integration	6-9 months	Operations/IT	Improved collaboration between bank engineers and escrow teams via automated data fetching and processing
Budget Allocation & Approval Process	2-4 months	Escrow/ RERA	Faster budget approval and transparent tracking process
CIB Payment Request Process	1-2 months	Developer/ Escrow	Quick payment request processing and document validation
Document Verification & Tracking	1-2 months	Escrow/ Maker	Accurate and automated invoice verification with real-time tracking
Payment Approval Workflow	1-2 months	Escrow/ Checker	Speedy and reliable payment approval process
Excel Tracker Updates	1-2 months	Escrow/ Maker	Real-time data synchronization and automated updates

Appendix

Key Terms

Terms	Full Form
TAS	Trust Account System
OPCRM	Operational Customer Relationship Management
RERA	Real Estate Regulatory Authority
CIB	Corporate Investment Banking
SAP	Systems, Applications, and Products in Data Processing
ASU	Account Service Unit
BO Report	Business Objects Report

Documents and Systems Used in the Escrow Process

List of Systems	Purpose	Owned By
TAS	Manages and tracks the entire escrow process, including project details, account openings, payment requests, and transaction histories.	RERA
MOLLAK	Facilitates internal communications and approvals, ensuring alignment among stakeholders such as the Escrow team, RERA, Contractors, and the Owner's Association.	RERA
Freshworks	A third-party platform that tracks service requests for the entire bank, such as cancellations and modifications.	CBD
KOFAX	Scans and extracts data from physical documents (guarantees, invoices) and converts them into a digital format for the remittance team.	CBD
SAP	Integrates the entire bank system for tracking account transactions, budgets, financial reports etc.	CBD
CIB	Handles the financial and banking aspects, including fund transfers, deposit tracking, and financial reports.	CBD
Excel Tracker	Manages and tracks financial data manually, consolidating payment records and account details.	CBD

Key Roles and Functions in the Escrow Process

Roles	Function
Escrow Maker	Manages and initiates the creation of escrow accounts, including account opening, payment requests, and transaction details.
Escrow Checker	Reviews and verifies escrow account details, ensuring all transactions, account balances, and documentation are accurate.
ASU Maker	Creates new escrow accounts, ensuring proper details are recorded and relevant documentation is submitted.
ASU Checker	Verifies the accuracy of account creation details and ensures all necessary documentation is in place.
Escrow Team	Oversees and tracks the escrow process, including monitoring financial data and project details and ensuring agreement compliance.
Developer	Responsible for completing the project work according to the contract, coordinating with the escrow team for payment releases, and ensuring accurate project documentation.
Engineer	Oversees the technical and construction aspects of the project, ensuring the work meets specifications and quality standards. Coordinates with the developer and escrow team for inspections and approvals.
Remittance Team	Manages the transfer of funds related to escrow, ensuring payments are processed correctly and timely and handling the transfer of funds to the appropriate parties as required.