Letter to all Credit Bureaux, All Banks and Other Stakeholders

Dear Sirs,

**RE: GUIDELINES FOR THE LICENSING, OPERATIONS AND REGULATION OF CREDIT BUREAUX AND CREDIT BUREAUX RELATED TRANSACTIONS IN NIGERIA**

The Central Bank of Nigeria, in exercise of its powers under the CBN Act 2007, has revised the Guidelines for the Licensing, Operations and Regulation of Credit Bureaux in Nigeria issued in October 2008.

The guidelines renamed “Guidelines for the Licensing, Operations and Regulations of Credit Bureaux and Credit Bureaux Related Transactions in Nigeria” have been prepared taking into cognizance the inputs from various stakeholders. The guidelines, which are expected to create a better platform for the sustainable growth of the sector, take effect from the date of this letter.

Yours faithfully

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GUIDELINE FOR THE LICENSING, OPERATIONS AND REGULATION OF CREDIT BUREAUX AND CREDIT BUREAU RELATED TRANSACTIONS IN NIGERIA

BY

CENTRAL BANK OF NIGERIA
ABUJA

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GUIDELINE FOR THE LICENSING, OPERATIONS AND REGULATION OF CREDIT BUREAUX AND CREDIT BUREAU RELATED TRANSACTIONS IN NIGERIA

SECTION 1 - INTRODUCTION

1.1 Background

In the exercise of the powers conferred on the Central Bank of Nigeria by Section 57 of the CBN Act 2007, the provisions herein are made as guidelines to the licensing, operations and regulation of all Credit Bureaux and Credit Bureau Related Transactions in Nigeria.

1.2 The guideline shall apply to all Central Bank of Nigeria licensed Credit Bureaux and Credit Bureau related transactions in Nigeria.

1.3 The objective of the guideline is to define the licensing, operational and regulatory requirements for a privately owned Credit Bureau under the CBN Act 2007.

SECTION 2 - DEFINITION OF TERMS


2.2 “Adverse action” shall include, but not limited to, actions taken by a User resulting in the denial of Credit, cancellation of Credit, reduction of value of a Credit line, denial of employment or denial of any advantage to which a Data Subject would otherwise be entitled.

2.3 “Banks” shall have the same meaning as defined in the Banks and Other Financial Institutions Act, 1991 as amended.

2.4 “Board of Directors” - means the Board of Directors of a Credit Bureau.

2.5 “CBN” – means the Central Bank of Nigeria.

2.6 “Consent” – means a signed written authorization by the Data Subject, his/her legal representative or authorized agent indicating
his/her approval to inquire about his/her data from the Credit Bureaux.

2.7 “Credit Bureau” (CB)/Credit Reference Company - means an institution that collects information from creditors and available public sources on a borrower or potential borrowers’ credit history.

2.8 “Credit Bureau Association” – means an association registered with the Corporate Affairs Commission for the sole purpose of promoting the activities of Credit Bureau operations in Nigeria.

2.9 “Credit File” – means an electronic or physical docket containing the Data Subject’s personal and Credit Information that are collected, processed and maintained by a Credit Bureau.

2.10 “Credit Information” – means the history of a Data Subject with regard to credit and financial obligations that a Credit Bureau may collect from Data Providers.

2.11 “Credit Report” – means credit information issued by a Credit Bureau containing all or part of the data subject’s information and data available in the credit file or a summary thereof.

2.12 “Credit Scoring” – refers to a measure of default probability.

2.13 “Data” – means borrower’s or guarantor’s information or data, including loan applications, and total credit exposures such as loan size, maturity, terms and conditions, overdue, past due, charge off, or delinquent status and collaterals of a credit transactions between a borrower and a Data Provider.

2.14 “Database” - means a set of information administered by a Credit Bureau.

2.15 “Data Provider” – means entities that are allowed under this guideline to furnish credit information to a Credit Bureau and include banks and other financial institutions and such other institutions that provide any form of credit and entities that have personal or credit information or Data related to the Data Subject’s payment habits or credit
worthiness and furnish them to the Credit Bureaux as per this guideline.

2.16 “Data Subject” – means any person or entity or a guarantor of any person or entity whose Credit Information is administered by the Credit Bureau.

2.17 “Debt” - means direct, indirect and contingent obligations incurred by a person or entity or guaranteed by a person or entity with third parties including interest / profit thereon.

2.18 “Director”- means an individual that is a member of the Board of Directors of a Credit Bureau.

2.19 “Top Management”- in relation to a Credit Bureau, includes the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer or Manager of a significant unit of the Credit Bureau;

2.20 “Other Financial Institutions”- shall have the same meaning as the definition of Other Financial Institutions in the Banks and Other Financial Institutions Act, 1991 as amended.

2.21 “Permissible Purpose”- means those activities specified in 5 (1) (b).

2.22 “Public Database”- means a database owned or operated by a public entity in Nigeria that may contain data on a borrower, potential borrower, guarantor or potential guarantor.

2.23 “Rules of Reciprocity”- means a set of norms defining the level of mutual information exchange and cooperation between Data Providers and the Credit Bureau.

2.24 “User”– means entities that are allowed under this guideline to seek Credit Information from a Credit Bureau for Permissible Purposes and include Banks and Other Financial Institutions and such other institutions that provide any form of credit.
SECTION 3- LICENSING REQUIREMENTS OF CREDIT BUREAUX

An individual or an entity shall not operate a Credit Bureau in Nigeria unless licensed to do so by the Central Bank of Nigeria.

The process of licensing a Credit Bureau shall be in three (3) stages:
1. Receipt and appraisal of application.
3. Issuance of Final Operating Licence.

3.1 Application

A promoter(s) seeking to operate a Credit Bureau in Nigeria shall apply in writing to the Governor of CBN. Such application for a Credit Bureau licence shall be accompanied with the following:

a. Non-refundable application fee of ₦250,000 (Two hundred and fifty thousand Naira) made payable to the CBN.

b. Minimum capital requirement of ₦500,000,000.00 (Five Hundred Million Naira) made payable to the CBN, fifty percent (50%) of which will be released upon the grant of Approval-in-Principle, while the balance will be released with the accrued interest based on the prevailing Monetary Policy Rate (or any other rate that the CBN may from time to time determine) upon the grant of Final Licence.

c. Memorandum and Article of Association of the proposed Credit Bureau.

d. Detailed feasibility report of the proposed Credit Bureau which shall include:

i. The objectives and aims of the proposed Credit Bureau.

ii. A detailed and comprehensive business plan of the Credit Bureau.

iii. A three (3) year financial projection for the operation of the Credit Bureau indicating its expected growth and profitability.
iv. Details of the assumptions upon which the financial projections have been made.

v. The conclusions based on the assumptions made in the feasibility report.

vi. The organizational structure of the proposed Credit Bureau, setting out in details: functions, relationships and responsibilities of Board, Management and staff.

vii. The composition of the Board of Directors and the curriculum vitae (CV) of each member including information on positions held by them in other organizations.


ix. A table of the list of promoters and shareholders showing their residential addresses, their businesses or companies and addresses, the amount invested in the Credit Bureau as well as addresses of their current bankers.

x. Copy of the Software License Agreement, Management or Service Level Agreements, if any, which have been concluded with other parties or any Memorandum of Understanding in that regard.

xi. Submission of specimen copies of Credit Reports as well as the proposed charges for such Credit Reports.

xii. Code of Conduct, Reciprocity Rules and other relevant rules for the functioning of the system.

xii. Sworn declaration of the Promoters and Directors attesting to their willingness to adhere to these requirements and any code(s) of proper conduct and integrity as may be issued by the CBN from time to time.
3.2 Approval in Principle (AIP)

a) The CBN having satisfied itself with 3.1 above shall issue an AIP to the Credit Bureau which will stipulate the conditions for granting of final licence.

b) An AIP granted to a proposed Credit Bureau shall be for a period of one hundred and eighty days (180 days) within which the proposed Credit Bureau must comply with all the conditions specified in the AIP, at the end of which period the AIP shall be deemed to have lapsed.

c) Should the promoters of a lapsed AIP wish to continue with the establishment of the Credit Bureau, they will be required to submit fresh application.

d) Where the application for a Credit Bureau licence is declined, the CBN shall communicate the decision in writing to the applicant and return the deposit to the applicant with accrued interest.

3.3 Final Operating Licence

The CBN shall grant a Final Operating Licence to a Credit Bureau subject to the following:

a) The Credit Bureau has satisfied all conditions as specified in the AIP.

b) The CBN has conducted on-site verification to ascertain its readiness to commence operations.

c) It is in the public interest to do so.

3.4 The Credit Bureau so licensed shall comply with the provisions of the guidelines, regulations and circulars as may be issued by the CBN from time to time.

3.5 A Final Operating Licence shall automatically expire if a Credit Bureau has not commenced operations during the first six (6) months immediately after the date of issue of the Final Operating Licence.
3.6 All licensed Credit Bureaux shall be required to add “Credit Bureau” to their names e.g. XYZ Company limited (Credit Bureau).

3.7 Except with the written consent of the Governor of CBN, no Credit Bureau shall be registered or incorporated with a name which includes the words “Central”, “Federal”, “Federation”, “National”, “Nigeria”, “Reserve”, “State”, “Christian”, “Islamic”, “Moslem”, “Quranic” or “Biblical”.

SECTION 4- OWNERSHIP AND MANAGEMENT OF A CREDIT BUREAU

4.1 Ownership of a Credit Bureau

(i) Individuals or entities are at liberty to invest in a Credit Bureau subject to CBN approval.
(ii) Investment by a bank and its subsidiaries in a Credit Bureau shall not exceed 10% of the total paid-up capital of the Credit Bureau.
(iii) Banks shall not invest in more than one (1) Credit Bureau at any one time.

4.2 Management

4.2.1 Directors

a) The maximum number of Directors [including Executive Directors] on the Board of a Credit Bureau shall be eleven [11] (one of which must be an Independent Director), while the minimum shall be five [5]. The Non-Executive Directors should comprise the majority of the members of the Board at any point in time.

b) No individual shall be a Director in more than one [1] Credit Bureau at any point in time.

c) The appointment of a director and promotion with respect to top management staff shall be subject to the prior consent of the CBN.

4.3 Qualification for Directors and Top Management Appointment in a Credit Bureau

The following minimum qualifications and experience are mandatory for directorship and top management positions in the Credit Bureau:
(i) Managing Director/Chief Executive - a recognized university degree or its equivalent with at least ten (10) years relevant post-qualification experience.

(ii) Executive Director - a recognized university degree or its equivalent with at least eight (8) years relevant post-qualification experience.

(iii) Departmental or Unit Head - a recognized university degree or its equivalent with at least seven (7) years post-qualification experience.

(iv) Non-Executive Director - A Non-Executive Director must possess a minimum of first degree or its equivalent and appreciable experience and exposure in a reputable organization.

SECTION 5- OPERATIONAL PROCEDURES OF CREDIT BUREAU

5.1 (a) Functions of Credit Bureaux

In addition to the dissemination of credit information under the circumstances listed in 5.1(b) below, Credit Bureaux may also:

(i) investigate an application for credit on behalf of any person or entity to whom an application for credit has been made;

(ii) Furnish non-credit information to Users;

(iii) Carry out such other services and functions as are compatible with the nature of its business provided that the confidentiality of credit information, as protected in this guideline, shall be maintained at all times.

5.1 (b) Permissible Purpose

To access any Credit Information from a Credit Bureau, the User should have a Permissible Purpose.

The Permissible Purpose is represented in the following:

i. Application for credit by a borrower, a potential borrower, a guarantor or potential guarantor.

ii. Reviewing, renewing, restructuring or monitoring of existing credit facilities.
iii. Opening of new accounts (as part of KYC principle).
iv. Prospective or current employment and Non-Executive Directors’ verification checks.
v. Tenancy contracts (for identification and payment ability purposes).
vi. Grant or renewal or review of new or existing insurance policies.
vii. Acceptance of guarantee(s) on behalf of borrowers or potential borrowers.
viii. Application for credit contracts or other post-paid services.
ix. Debt collection for the recovery of a valid and enforceable debt.
x. Request by an individual or entity to validate the correctness or otherwise of Credit Information held by Credit Bureaus in respect of themselves.
xi. The provision of Credit Scoring Services by Credit Bureau.
xii. Other purposes with the written consent from the individual or entity.
xiii. Where a person is required by an applicable law to provide Credit Information in respect of an identifiable individual or entity.

5.2 Data Collection

5.2.1 A licensed Credit Bureau shall collect relevant information for Permissible Purposes only on the background and Credit History relating to the commitment of persons, enterprises and other organizations, in order to determine their identity, banking relationships, overall debt exposure, repayment behaviour and other contractual obligations.
5.2.2 All Data Providers and Users, whether regulated by the CBN or not, will be subject to the same rules and obligations as provided in this guideline.

5.2.3 A Credit Bureau may collect Data from any of the following sources:

i. Banks and Other Financial Institutions operating in Nigeria pursuant to the Banks and Other Financial Institutions Act, 1991 as amended.
ii. CBN Credit Risk Management System (CRMS).
iii. Mortgage Finance Companies.
iv. Finance/Operating Leasing Companies.
v. Insurance Companies.
vi. Institutions that offer credit to medium, small and micro enterprises.
vii. Asset Management Companies.
viii. Courts.
ix. Suppliers of goods and providers of services on a post-paid or instalment payment basis.
x. Other Credit Bureaux licensed by the Central Bank of Nigeria.
xi. Other entities that have relevant data and information that complies with Permissible Purposes and serves the purposes of the Credit Bureau.

5.2.4 At the time of receiving Credit Information on a Data Subject, a Credit Bureau shall have reasonable procedures in place to ensure that all available relevant Credit Information on the Data Subject is obtained.

5.2.5 A Credit Bureau may consult other Public Databases as sources of relevant information, provided that the confidentiality of the Data Subject shall be maintained and it is for Permissible Purposes.

5.3 Information Dissemination and Consent of Data Subjects

5.3.1 A Data Provider shall be required to give notice to all its customers or potential customers of its duty to seek for Credit Report and to report Credit Information to licensed Credit Bureaux. Such notice can be given by placement in the banking halls, on ATM screen, text messages and on Account Opening forms.
5.3.2 Every User shall be required to obtain the consent of a Data Subject before requesting for the credit report of that Data Subject from licensed Credit Bureaux. If the credit report however is required by either a law enforcement agency, a regulatory body or pursuant to a directive of a regulator or a court order, then the Data Subject’s consent is not required.

5.4 Responsibilities and Duties of Banks, Other Financial Institutions and Other Users

5.4.1 All Banks and Other Financial Institutions must have data exchange agreements with at least two (2) licensed Credit Bureaux.

5.4.2 All Banks and Other Financial Institutions must obtain credit reports from at least two (2) licensed Credit Bureaux before granting any new credit facility, or when reviewing, renewing or restructuring an existing facility.

5.4.3 All Banks and Other Financial Institutions shall obtain credit reports for quarterly credit reviews on all existing facilities from at least two licensed Credit Bureaux.

5.4.4 All Banks and Other Financial Institutions shall upload all existing loan data on all its existing credit customers to Credit Bureaux with which it has executed data exchange agreements. The data uploaded shall include names, date of birth, gender, legal status, addresses, photographs, existing credit facilities, existing overdraft arrangements, schedule of loan repayments, details of loan repayments, loan value and/or authorized credit limit, the outstanding balances, type of facility or product, maturity date, outstanding instalments due, types of collaterals offered in addition, and notice of legal action commenced, to any other information that meet the requirements of this guideline and the CBN.

5.4.5 All Banks and Other Financial Institutions shall update any change in the Data submitted to a Credit Bureau pursuant to clause 5.4.4 above at least on a monthly basis or more frequently or in accordance with a schedule provided by the Credit Bureau.
5.4.6 All Users shall adopt reasonable procedures to ensure that all Credit Information is kept confidential.

5.4.7 All Users shall utilize the Credit Information collected solely for Permissible Purposes set out in this guideline.

5.4.8 Each User shall have its own credit decision making rules. The Credit Information and other services provided by the Credit Bureau shall be considered as one of the tools for a credit risk decision process, but the decision shall not be made solely on the basis of the Credit Information obtained from the Credit Bureau.

5.5 **Responsibilities and Duties of Credit Bureaux**

A Credit Bureau shall –

a) Implement strict data quality control procedures in order to ensure the quality of its database and the continuity of its services.

b) Utilize the Credit Information collected solely for Permissible Purposes set out in this guideline.

c) Adopt reasonable procedures to ensure that Data Providers can update data regularly and at least once in every calendar month.

d) Adopt reasonable procedures to allow Data Providers, CBN, other Credit Bureaux or Data Subjects to correct data found to be inaccurate, invalid, incomplete or out of date.

e) To notify all Users accessing incorrect Credit Information during the previous 3 months of the correction of the error to forward a copy of the correct Credit Information at no cost to the User, and that a copy is also sent to the borrower or guarantor or potential borrower or guarantor.

f) Provide to the CBN, unrestricted access to all the Credit Information managed by the Credit Bureau, either through access to its systems or in a manner stipulated by the CBN, for the purpose of supervision.
g) Observe, through its shareholders, Directors and Officers, policies and procedures, a perpetual duty of confidentiality with regard to the Credit Information in its database.

h) Not transfer, directly or indirectly, physically or otherwise any database, or provide access to any database containing Credit Information to any person or entity other than the CBN. Where the Credit Bureau needs to give access to its database to consultants and technical partners for the purpose of creating or designing products, such consultants and technical partners shall be contractually bound to observe the duties of confidentiality imposed on the Credit Bureau under this guideline and shall enter into agreements accordingly.

i) Ensure that all Users and Data Providers that are not statutorily under the regulatory purview of the CBN are contractually bound to the duties and responsibilities of Data Providers and Users specified in this guideline.

j) Credit Bureaux must adopt reasonable procedures to ensure that they can update data regularly and at least once in every calendar month.

k) Credit Bureaux must have reasonable and accessible Dispute Resolution Processes and procedures to allow Data Subjects to correct data found to be inaccurate, invalid, incomplete or out of date.

A breach of items (a) – (k) above shall constitute a contravention of this guideline.

5.6 Nature of Data Collected By Credit Bureaux and Data Retention Period:

5.6.1 A Credit Bureau must maintain a Credit File on each Data Subject which, if available, should contain, at a minimum the Data Subject’s personal and credit data including:
a) **Personal History Data:**

i. **Natural Person:** They include the name, nationality, photograph, date and place of birth, identification documents, present and past addresses in the last three years, profession, details of present and past jobs in the past three years, spouse name in addition to any other data that meet the requirements of the Credit Bureau.

ii. **Legal Persons:** They include the name, legal status, shareholding structure of 10% and above of the paid up capital, company registration certificate and any other information that meet the requirements of the credit bureau.

b) **Credit Data:** It includes loan value and/or authorized credit limit, the outstanding balances, type of facility or product, maturity date, outstanding installments due and types of collaterals offered in addition to any other information that meet the requirements of the credit bureau.

c) **Payment Habits:** These are historical data for a minimum of five preceding years, reflecting the extent to which clients are regular in meeting their commitments on due dates and they include:

i. **Positive information:** Information that reflects the clients' payment of obligations on due dates.

ii. **Negative information:** Information related to clients' delinquencies including: payment delays, irregularities, dishonored cheques and bills, defaults, delinquency, court sentences, seizures, protested bills of exchange, insolvency and bankruptcy.

d) **Public Record Information:** Information available in public records including civil, commercial, real estate, court registries, the Police, utilities, etc.

e) **Inquiries made to the credit file:** It includes the user’s name, business and date of inquiry. The credit file should not contain data related to political party, other general organizations affiliation, religious beliefs or health condition.
5.6.2 (1) A Credit Bureau shall maintain a historical database covering a five (5) year period for the purpose of providing detailed Credit Information, and shall keep the database for a period of not less than ten (10) years after which it shall be archived.

(2) A Credit Bureau shall implement procedures and systems that ensure that the Credit Information in its database is updated on an on-going basis.

(3) A Credit Bureau shall update its database as and when information is provided by the data collection sources as listed in Section 5.2.1. The information shall be updated on a regular basis and as often as may be required in standardised formats/procedures.

5.7 Maintenance of Data Integrity & Security

(1) A Credit Bureau shall take the reasonable security and control measures in order to avoid unauthorized access or improper use or mismanagement of information in its database by its staff, contractors, and technology partners, Users, other Credit Bureaux, Data Providers or Data Subjects.

(2) A Credit Bureau shall not request, collect or share Credit Information, other than as permitted in this Guideline.

(3) All data collected by a Credit Bureau on a Data Subject must be aggregated and the resulting Credit Information must only be made available on request to Users or CBN for Permissible Purposes.

5.8 Fees and Charges

(1) A Credit Bureau may charge fees for its services. Such charges shall continue to be approved by CBN pending the issuance of the Guide to Credit Bureau Charges.

(2) The Data Subject shall have access, free of charge, to a copy of their Credit Report once per year or at a time when an Adverse Action was taken by a User.
SECTION 6 - RIGHTS OF DATA SUBJECT

6.1 Subject to 5.8.(2), a Data Subject shall, upon production of satisfactory identification and payment of stipulated fee, have unhindered access to inspect his or her Credit Information at any Credit Bureau.

6.2 Where the Data Subject believes that the information contained in the database is inaccurate, incomplete or out of date he or she may request the Credit Information to be corrected.

6.3 Any entry or statement confirmed as inaccurate or incomplete by the data provider shall be remedied within fifteen working days.

SECTION 7 - DISPUTE RESOLUTION

7.1 All Credit Bureaux and Users shall establish readily accessible processes and procedures, supported by a Complaint Resolution Unit to handle all complaints or disputes in respect of its data or operations.

7.2 For the duration of the investigation, the Credit Information in the Credit Bureau must indicate that the Credit Information is under dispute.

7.3 Where there are Legal Liabilities or cost arising from the inaccurate data, as a result of illegal activity, gross negligence or reckless behaviour, the Data Provider or the Credit Bureau shall be liable, depending upon their degree of culpability.

7.4 If a party to a dispute is not satisfied with the outcome, that party has the right to appeal to the CBN which shall establish readily accessible processes and procedures, supported by a Complaint Resolution Unit to handle all complaints or disputes. The determination of the CBN is deemed to be final but an unsatisfied party has the right of recourse to an appropriate Court in Nigeria.

7.5 The Credit Bureau shall render monthly returns on all disputes and complaints to the CBN in a format approved by the CBN.
7.6 Any dispute, contrary, claim arising out of, or relating to Credit Bureau related transaction, shall be settled between the parties and if settlement is not reached, the dispute shall be referred to arbitration in accordance with the Arbitration and Conciliation Act, Cap A18, Laws of the Federation of Nigeria, 2004.

7.7 (i) A Credit Bureau may file a claim against the Data Provider whenever it is held liable for any incorrect, incomplete or out of date information.
(ii) Users of Credit Information provided by a Credit Bureau shall be held liable in the event of wrongful or fraudulent use of the Credit Information, or if the Users cause material damage to the Data Subject’s financial reputation.

7.8 The CBN may request, at any time, information from Credit Bureaux, Users, or Data Providers in order to evaluate complaints, accusations or inconsistencies detected related to the operations of a Credit Bureau or of a User or Data Provider.

SECTION 8 - OPENING AND CLOSURE OF CREDIT BUREAU OFFICES

8.1 A Credit Bureau must obtain the approval of the CBN before opening, relocating or closing its offices.

8.2 Such opening or closure of offices by a Credit Bureau must be approved by the Board of Directors in accordance with its business plan.

SECTION 9 - SUBMISSION OF RETURNS AND AUDITED ACCOUNTS TO THE CBN

9.1 Every Credit Bureau shall submit to the CBN on monthly basis details of its activities as specified by CBN ten (10) working days into the following month.

9.2 All Credit Bureaux shall submit their Audited Financial Statements not later than three (3) months after their year-end for approval by CBN for publication.
9.3 CBN shall conduct yearly or as the need arises, an examination of the activities of the Credit Bureaux for compliance with this guideline and other relevant legislations.

9.4 The CBN as part of its supervisory functions of the activities of Credit Bureaux in Nigeria shall have unrestricted access to the database and records of all licensed Credit Bureaux.

SECTION 10- THE ROLE OF CBN CREDIT RISK MANAGEMENT SYSTEM (CRMS)

10.1 The CBN Credit Risk Management System (CRMS) shall continue to serve its regulatory functions.

10.2 Banks and Other Financial Institutions shall continue to render the mandatory returns and comply with all relevant circulars and guidelines relating to the operation of CRMS.

10.3 The CRMS shall operate as a Public Registry and would therefore share its information with the Credit Bureaux. Credit Bureaux may, from time to time request information from the CRMS and include information obtained from the CRMS in Credit Reports issued to Users.

10.4 The CBN shall not be liable or joined in any dispute(s) arising from wrong information given in respect of a credit report on Data Subject.

SECTION 11 – COMPLIANCE WITH THE GUIDELINE

11.0 Credit Bureaux, Users and Data Providers must comply strictly with the provisions of this guideline. However, in case of confirmed contravention, CBN shall apply appropriate sanctions on the Credit Bureau and Data Providers under its regulatory purview.

11.1 Where a Credit Bureau, through its shareholders, Directors or Officers illegally discloses any Credit Information, before or after its dissolution, the responsible party is liable to pay a penalty of Five Hundred Thousand Naira only (₦500,000.00) and, in the case of a
continuing offence, an additional fine, not exceeding Ten Thousand Naira only (₦10,000.00) each day for which the offence continues.

11.2 All the Officers who are directly involved in the commission of the offence shall also be blacklisted by the CBN.

11.3 In the attainment of its corporate purpose and the performance of its activities, a Credit Bureau shall comply with any directives issued by the CBN.

11.4 The Board of Directors of a Credit Bureau, Data Provider or a User is responsible for ensuring compliance and internal dissemination of this guideline.

SECTION 12 - DISSOLUTION, LIQUIDATION AND REVOCATION OF LICENSE

12.1 Where a Credit Bureau is to be dissolved and liquidated, it shall notify CBN in writing accompanied by the following documents:

a. A copy of the minutes of the special meeting of shareholders in which the agreement to dissolve was recorded.

b. Financial Statements as at the date the agreement to dissolve was made, as well as a report from the auditor appointed by the CBN for that purpose.

c. A sworn statement from the Chief Executive Officer specifying outstanding obligations (if any).

d. Evidence of appointment of a liquidator.

e. The CBN shall on receipt of notice of dissolution or liquidation conduct an investigation of the Credit Bureau.

12.2 The Official Receiver or Liquidator of the Credit Bureau shall comply with the decision of the CBN with regards to the management and control of its database on dissolution.
12.3 The Official Receiver or Liquidator of a Credit Bureau shall deliver its database containing Credit Information to the CBN in the form, and upon the terms and conditions stipulated by the CBN.

12.4 A Credit Bureau Licence is valid until revoked by the CBN. The CBN may revoke a Credit Bureau Licence if it is satisfied that:

i. There have been substantial unaddressed violations of this guideline.

ii. The Credit Bureau is insolvent.

iii. It is in the public interest to do so.