

UNITED ARAB EMIRATES

CENTRAL BANK

CIRCULAR NO: 102

TO : ALL COMMERCIAL BANKS, FINANCIAL INSTITUTIONS AND MERCHANT BANKS

Date : 3/4/1982

Dear Sirs

We are pleased to inform you that the UAE Central Bank decided to put into force the Regulations of the Risks Bureau as at 1st May, 1982. Enclosed please find :

- 1 A copy of the Regulations of the Risks Bureau.
2. A copy of the Directives for the Implementation of the Regulations of the Risks Bureau.

We, kindly, draw your attention that when you submit the required information, make sure that :

The Name of the Customer is exactly the same as the one on the municipality permit.

2. Only the following numerals are used, i.e., 1, 2, 3, 4, 5, . . . when reporting amounts.

Please, make also sure, that the Head of the risks Bureau receives before or on April 15th, 1982 the following:

Your preliminary estimate of the number of Customers who would be subject to reporting out of all Customers.

2. A list of your Authorized Personnel who would be engaged in submitting the information, together their specimen signatures.

We thank you for your cooperation.

Yours Faithfully,

Abdul Malik Yousuf Al-Hamar  
Governor

دولة الامارات العربية المتحدة

المصرف المركزي

تعميم رقم : ١٠٢

الى : جميع المصارف التجارية والمؤسسات المالية ومصارف الاعمال

التاريخ : ١٩٨٢/٤/٣ م

حضرات السادة :

يسرنا أن نعلمكم أن مصرف الامارات العربية المتحدة المركزي قرر وضع نظام مركز المخاطر موضع التنفيذ اعتبارا من ١ مايو ١٩٨٢ م .

تجدون طيبا :

- ١ - صورة عن نظام مركز المخاطر .
  - ٢ - صورة عن التعليمات التطبيقية لنظام مركز المخاطر .
  - ١ - التتحقق من مطابقة اسم العميل لديكم مع اسمه المذكور في رخصة البلدية .
  - ٢ - استعمال الارقام التالية ( اى ..... 1,2,3,4,5 ) عند التصريح عن المبالغ كما يرجى تزويد رئيس مركز المخاطر قبل ١٥ ابريل ١٩٨٢ م بما يلي :
  - ١ - تقديركم الازلي لعدد العملاء الذين يخضعون لهذا النظام من مجمل عملاء مصرفكم .
  - ٢ - قائمة بأسماء الموظفين المعتمدين من قبل مصرفكم في تقديم هذه البيانات مع نماذج عن تواجيعهم .
- نشكر لكم حسن تعاونكم ،

وتفضلوا بقبول فائق التقدير والاحترام ،،،

عبد الملك يوسف الحمير

المحافظ

The United Arab Emirates  
The Central Bank of UAE.

Regulations of the "Risks Bureau"

Part One: Establishment of the "Risks Bureau"

Article

- a. There shall be established at the United Arab Emirates Central Bank, a 'Risks Bureau' :
- b. In these regulations the word " Institution ( s ) " would refer to the Commercial Banks, Investment Banks, and Financial Institutions operating in UAE.
- c. The Risks Bureau will undertake the following tasks:
  - ( ) To receive statements and data containing information and data on the various credit facilities granted to the customers of the Institution which should submit the above mentioned statements and

data periodically as required by the provisions of Paragraph (2) of Article (104) and Article (131) of Union Law No. (10) , (1980).

To report to the Institutions, on demand, the sum total of credits extended to each of their customers

- (ii) To refer contraventions detected by the Bureau to the Banking Supervision Department for appropriate action.

Article

The Central Bank shall determine the personnel requirements of the Bureau.

Part Two:General Rules

1 ) Declaration of Banking Risks

Article (3 )

Institutions should submit periodic statements containing the amount and type of credits opened in favour of their customers as well as the amount and type of credits used by customers

Article ( 4 )

At periods specified in the directives for the implementation of these regulations all Institutions shall submit statements to the " Risks Bureau" on each customer, separately when the total credit extended to him by the Institution concerned reaches or exceeds, in the last working day of the month being reported, the limit, in UAE Dirhams, determined by UAE Central Bank's Board of Directors

Article ( 5 )

These statements should include all credits meeting the requirements specified under Article ( 4 ) of these Regulations whatever their currency might be, whether in UAE Dirham or in foreign currency, and whoever is the beneficiary, whether or not he be a businessman.

Article ( 6 )

The statements shall differentiate between credits according to their types and / or to the collaterals given against them, in accordance with the classification specified in the the directives for the implementation of these regulations.

Article ( 7 )

- ( i ) To ensure the confidentiality of the operations of the Risks Bureau and the secrecy of the data it

receives from Institutions or sends to them a coding system, to be determined by the Central Bank, shall be adopted to denote Institutions and Customers.

- ii The Central Bank may take any other measure which ensures the secrecy of information pertaining to banking risks.

Article 8

( Banking Risks Statements should be prepared according to special forms determined by the Central Bank. Institutions should obtain the necessary printed materials from the Central Bank.

- ( II ) Each statement should be prepared in two copies stamped with the Institution's seal and duly signed by the Manager and marked to the effect that the information included therein corresponds to the records.

Article 9

The required statement should be handed to the Risks Bureau before the twenty fifth day of the month following the month covered by the statements.

(2) Reporting Total Banking Risks to BanksArticle (10)

The Risks Bureau shall consolidate the data provided by the Institutions according to the rules defined in Articles (3-9) of these regulations, on each of their customers. The Risks Bureau shall, upon demand, inform a requesting Institution the total credits granted and used by any customer from all institutions.

Article

Reporting referred to in Article (10) of these Regulations shall differentiate between total credits according to their types on the one hand and collaterals given against them on the other hand. Such reporting shall be effected in accordance with the procedure to be defined in the directives for the implementation of these regulations.

All measures to ensure the secrecy of reporting shall also be observed in the same manner followed to assure the confidentiality of the statements provided by the Institutions on the credits extended to their customers.

( 3 ) Expenses of the Risks BureauArticle ( 2 )

The risks Bureau expenses shall be borne by the Institutions mentioned in Paragraph ( b ) of Article ( 1 ) of these regulations.

Article ( 3 )

The Risks Bureau shall provide the Institutions with the printed matters and forms defined in these regulations and in the directives for their implementation, whether these printed matters concern statements of banking risks or requests for specific information.

Article ( 4 )

The Risks Bureau expenses shall be distributed amongst the institutions in proportions equal to the ratio of total loans of each institution to the aggregate consolidated loans of all institutions as at the 31st of December of each year.



Article ( 15 )

Each Institution should pay annually the amount Incurred by It relating to the Risks Bureau expenses within a month of notification.

Article ( 6 )

The Central Bank shall bear no responsibility of whatever nature or cause as a result of losses or damage due to delay, negligence or errors by Institutions with regard to the data submitted by them or by the Risks Bureau.

Article ( 17 )

The provisions of Article (107) of Union Law No. (10) , (1980) shall apply in the event of delay by an Institution in submitting the data specified in Article ( 3 ) and ( 4 ) of these regulations.

Article ( 18 )

The Governor of the Central Bank shall, in accordance with the requirements of public interest lay down the directives necessary for the implementation of these regulations.

DIRECTIVES FOR THE IMPLEMENTATION  
OF THE  
REGULATIONS OF THE RISKS BUREAU

Part One      General Provisions

Article 1      "Institution (s)" in these directives for the implementation of the regulations of the Risks Bureau would refer to : the commercial banks, investment banks, and financial institutions operating

Article 2      The Risks Bureau shall give each Institution a code number consisting of two digits to be reported to the Institution concerned.

Article 3      (1) Each Institution should ascertain the number of its customers whose credits, whether opened for or used by the customer, amount to or exceed Dh.500,000 by the end of April 1982. Each Institution should prepare lists for these customers along the lines specified in Part Two of these Directives, then submit them to the Risks Bureau of the UAE Central Bank, Abu Dhabi, for the first time only, before the tenth of May, 1982.

(2) The Risks Bureau shall report to each Institution the code numbers of its customers for the first time before the seventeenth of May, 1982.

Article 4      Each Institution should prepare statements of risks as at the last working day of April 1982, along the lines specified in Part Three of these Directives, and present them, for the first time only, to the Risks Bureau before the twenty seventh day of May, 1982.

Article 5      Lists of customers and statements of banking risks should be prepared by each Institution every 3 months\* (following April 1982) and presented to Risks Bureau and

(\* )ending the last day of each March, June, September and December of each year (circular no.376 dated 16.2.86)

reported back within the following time limits

A - Institutions must present the additional lists for the new customers' names before the tenth day of the month following that for which the lists are submitted.

B - The Risks Bureau shall return to each Institution the detachable parts of these lists before the fifteenth day of the month following that for which the lists are submitted.

C - Each Institution shall submit statements on customers' risks before the twenty fifth day of the month following that for which the statements are submitted.

D - The Risks Bureau shall answer the special information request within two days of its receipt

Article 6

(1) Each Institution shall directly contact the Risks Bureau of the UAE Central Bank in Abu Dhabi. Contacts, consultations and correspondence shall be effected directly between Institutions and the Risks Bureau without recourse to any other department of the Central Bank.

(2) Such contacts, consultations and correspondence shall be effected only with the Coding Section of the Risks Bureau. No contact shall be permitted between the Bureau's other Sections and Institutions or their customers.

Article 7

The regulations of the Risks Bureau and the directives for their implementation have devised a method of work and laid down procedures to communicate information and data that will provide top confidentiality. Therefore, all Institutions are requested to do the same on their part i.e. to make sure that the lists of customers, the statements on banking risks, and all correspondence

related to the Risks Bureau are treated top confidential papers and should not be available or handled except by specified Institution's staff. These Institution's employees should be highly trustworthy persons. All information, lists, statements, letters and records should be kept in a safe place inaccessible to anyone except the designated employees.

Article 8 The Governor shall set down the internal rules for organising the working of the Risks Bureau to achieve the highest efficiency.

Article 9 : The directives for the implementation of the regulations of the Risks Bureau shall come into force in the UAE as of 1.5.1982.

## Part Two : Customers' Lists

### Chapter One Preparation of the Lists

Article 10 The customers' list is intended to identify the Institution's customers on a separate document independent of the banking risks statements. The Risks Bureau will give those customers code numbers to assure for its operations top confidentiality.

Article 11 (1) The Customers' list consists of a set of separate sheets numbered serially. Each sheet contains two parts separated by a clear broad line. The part to the right of this line contains the Institution's columns, (i.e. columns from 1 to 7), and that to the left contains the columns of the Risks Bureau (i.e. columns from 8 to 11). Please refer to the attached Form (R.B.-1)

(2) Columns 10 and 11 of the part pertaining to Risks Bureau form together a detachable part which can be

separated from the other parts of the list. The Risks Bureau shall return this part to the concerned Institution showing therein the code number given to each customer.

Article 12

Institutions must fill in their customer list on Form (R.B.-1) attached hereto. The printed forms will be supplied by the Risks Bureau.

Article 13 : The customers who shall be registered in the Customers List are only those to whom the Institution has extended credits whose total reaches or exceeds the amount specified in Article 3 of these directives.

Article 14

The Institution shall prepare the first general list of all its customers subject to reporting as at 30 April, 1982. This list shall be supplemented by complementary sheets of the same Form (R.B.-1) on which the Institution shall record its new customers whose total credits opened (or used) has reached or exceeded at the end of the month being reported the limit specified in Article 3 of these directives. Thus the general list of an Institution's customers, at a given date, shall consist of the first general list and the added complementary sheets submitted by the bank till that date.

Article 15 : An Institution may not reorganize the general list of its customers unless the Risks Bureau requests so and shall be done according to its instructions.

Article 16 : Sheets of the institution's customers' general list shall be numbered serially, i.e. the first sheet bears No.1 the second No.2 and so on. These serial numbers must continue uninterrupted with respect to the complementary sheets. Therefore the institution may not return to No.1 once again unless it is deemed necessary to prepare a new general list for its customers pursuant to the Risks Bureau's request.

An Institution must number successively its customers recorded in the list giving each customer a serial number. Numbering starts from No.1 and continues in column No.1 of the list sheets and without interruption.

But if the institution deleted one of its customers due to the decrease in the total credits opened in his favour below the limit determined in the directives, or because he has ceased to become a customer of the Institution, it may never give a new customer the same serial number of the deleted one.

Article 18

An Institution should fill in the list all required information such as the list serial number, date, Institution's code number and the customer's code number; whether the designated columns for such information fall in the part of the institution or the Risk Bureau's. In general the institution should fill in all rows and columns of the customers list, except columns 8, 9 and 11 wherein the institution should record nothing.

Article 19

The customers list is a principal document on which relies to a great extent the activity of the Risks Bureau

Therefore, institutions are requested to pay due attention in preparing it, and ensure correctness of recorded information therein.

Article 20 : Customers list shall be closed on the last day of the month being reported. Each of the list sheets should be duly signed by the Institution's authorized signatory.

Article 21

(1) Each institution should prepare its customers list in duplicate and put them in a sealed envelope, to be put inside another envelope sealed by red wax and despatched with a covering letter inside the sealed envelope to the Risks Bureau before the tenth day of the month following that for which the list is prepared.

(2) Each Institution shall prepare a third copy of the list which should be identical in every respect to both copies sent to the Risks Bureau and conformable to the Institution's records.

Article 22

Lists shall be despatched to the Risks Bureau under covering letter according to Form (R.B.-2) wherein the Institution shall indicate the number of the list sheets, the relevant month and total number of customers.

Article 23 :

(1) When the Institution deletes - during the three months period - one or more of its customers, whether due to decreasing their credits below the determined minimum limit or because the customer has ceased dealing with it; it should notify the Risks Bureau, before the tenth day of the month following the month being reported, of its deleted customers by a letter, according to Form (R.B.-3) dispatched to the Risks Bureau at the same time the list of customers, for the period during which deletion was effected, is sent.

(2) But if the deleted customer becomes one of the Institution's customers whose credits must be reported, either because the Institution has increased the credits of such customer above the determined minimum limit, or the customer has resumed dealing with the Institution the latter should consider him as one of its new customers, and enters duly his name in a complementary list's sheet and gives him the proper serial number.

Article 24

The Risks Bureau shall return to the relevant Institution, before the fifteenth day of the month that follows the month being reported, the detachable part of the list's second copy only after filling column (11) thereof with customers' code numbers.

Article 25

The detachable parts shall be sent to the Institution under covering letter, Form (R.B.-4) which acknowledges

receipt of the list and bears the Risks Bureau's stamp and signature of the authorized employee. Furthermore, each of the list's detachable part returned to the Institution should bear the Bureau's stamp and the authorized signature.

Chapter Two                      Detailed Explanation of the Items  
and Columns of the Customer's Lists

Article 26 : List's Serial Number

According to the preceding Article No. 10, the Institution shall number the list's sheets serially starting from No.1. The Institution should write the proper serial number against the word "List's Serial No." shown in two places of the list, one in the middle and the second in the detachable part to be returned to the bank.

Article 27                      Date

As the Customers' List's are to be reported as at the last working day of the month being reported, therefore the Institution shall record, against both words "date" situated under "List's Serial No.", only the month and year of the List.

Article 28 : Bank Code Number

The Risks Bureau shall report, in advance, this number to the Institution, which consists of two digits identifying the Institution's name. Therefore, the Institution should record both digits against the word "Institution Code Number" in the assigned place on the List's original and on the detachable part to be returned to the Institution.

Article 29 : Customer's Serial No. (columns 1 and 10)

The two columns allocated for the customer's serial number bear No.1 and No. 10, and the Institution should



record therein the serial number of each customer. The serial number should be recorded in both columns and should be continued on the following sheets of the list in accordance with the method shown under the preceding Article 17. It must be observed that the numbers recorded in column (1) should be the same as those recorded in column (10)

Article 30 : Customers Name and his Commercial Address (Column 2)  
The Institution shall record in this column the customer's full name. The Institution should write down accurately the correct name of the customer.

Article 31 The Legal type of the customer (Column 3)  
Institutions should indicate in this column the customer's legal personality, showing that in detailed writing.

Article 32 : Customer's Legal address or his Head Office (Column 4).  
It shall be mentioned in this column - in full and correct manner - the customer's legal address. For instance : Abu Dhabi - No. . . . . Hamdan Street, P.O. Box No. . . . . It is meant by the legal address the address considered by the customer as the center to which all notifications related to his business should be addressed. This address might differ from his home address or might be the same in rare cases. Also the legal address might differ from that where he practices his business. For instance, the Head Office of a company may be at (Abu Dhabi) and its business place is (Mussaffah).

But if the customer is a company with branches, or an institution or a business with several branches, the address of the Head Office in UAE should be mentioned. In case the legal address is unknown, the Institution must give full description regarding his address, home or the place where the customer practices his business . . . . etc.

Article 33

Type of Work practiced (Column 5)

All Institutions must indicate very clearly in this column the customer's professions.

Article 34 :

Places where a customer conducts his business (Column 6)

The Institution shall mention in this column the place or places where the customer - to the Institution's knowledge - practices his business.

Article 35

Economic Sector Number (Column 7)

According to the customer's profession the Institution shall indicate the type of economic sector to which the customer belongs. The Institution shall mention in this column the number, representing the mentioned sector, selected from the attached annex. If the customer practices several professions at the same time, the number representing each sector should be mentioned.

Article 36 :

Customer's Code Number (Column 8)

This column is allocated for the Risks Bureau. The Institution may not mention anything therein.

Article 37

Remarks of the Risks Bureau (Column 9)

This column is allocated for the Risks Bureau. The Institution may not mention anything therein.

Article 38

Customer's Serial Number (Column 10)

This column is identical to column (1), so the Institution should enter therein the same customers' serial numbers as entered in column (1).

Article 39

Customer's Code Number (Column 11)

This column is identical to column (8). It is also allocated for the Risks Bureau, consequently the Institution should mention nothing therein.

Part Three : Reporting Banking Risks and  
Requesting Special Information

Chapter One : General Provisions

Article 40 : (1) Banking Risks statements shall be prepared according to Form (R.B.-5). A special statement is prepared for each customer who comes under the provisions of these regulations.

(2) A code number shall be used to identify the reported customer and another code number identifying the Institution. The keys for both code numbers shall be available only to the Risks Bureau and the Institution.

Article 41

(1) Banking risks statements shall be prepared according to the positions of such risks at the last working day of the month being reported, i.e. according to the position of credits in the Institution's records at the mentioned date.

(2) Statements shall be prepared in duplicate; each signed by the specially authorized signatory of the Institution, i.e. who is authorized by the Institution to sign these statements which shall be delivered to the Risks Bureau before the twenty fifth day of the month following that of the statements.

(3) Statements shall be put in a sealed envelope which shall be put inside another one sealed by red wax and sent under covering letter according to Form (R.B.-6) in duplicate. Each copy bears the Institution's stamp and signature. The covering letter shall indicate the number of statements contained in the inner envelope and the relevant month.

Article 42 : After receiving the envelope and making sure that the number of statements conforms with that mentioned in the covering letter, the Risks Bureau shall return to the Institution the duplicate copy of the covering letter after entering in the relevant place acknowledgment of receipt of the envelope with the number of statements.

Article 43 : If the Institution deemed it necessary to add some explanations and clarifications on the statement, it should record the same on a separate sheet in duplicate to be attached to both copies of the statement. Both copies shall bear the customer's code number. Institutions should avoid mentioning any information therein that might identify the customer.

Article 44: To facilitate the task of the Risks Bureau and to enable it to discover mistakes, all institutions are requested to take the utmost care in preparing statements and securing correct information required to be entered therein.

Article 45 Institutions shall be furnished with the printed matter necessary for the preparation of statements by the Risk Bureau exclusively.

## Chapter Two : Credits (risks) which should be reported

Article 46 In application of Article 4 of the Risks Bureau's Regulations, each Institution operating in the UAE should submit a statement on each of its customers when total credits extended to him reach or exceed Dh.500,000

Article 47 In order to know if the credits granted to a customer amount to the minimum limit shown in the preceding Article, the Institution shall add all of the various types of credits opened for the customer as indicated in:

the statement of Form (R.B.-5) whether such credits are used or not and whether the Institution has notified the customer about them or not.

Article 48 : Dirham and foreign currency credits should be reported. Foreign currency shall be converted into dirhams according to exchange rates in force at the date of the report.

Article 49 : Credits extended by the Institution to its customers abroad shall also be reported. Credits extended by a resident Institution to another resident Institution and credits extended to one of the public departments or organizations should be reported also.

Article 50 : Statements shall be made on the customer whom the Institution has extended credit:

(1) As regards commercial papers (checks, discounted bills of exchange, etc...) the statement would contain data on the customer who endorses them to the Institution.

(2) As regards credits covering acceptances or guarantees the statement shall cover the customer for whom the Institution gave the acceptance or the guarantee.

(3) As regards documentary letters of credit, the customer who requested the opening of the documentary letter of credit shall be reported.

### Chapter Three : Explanations of Banking Risks' Statement

#### Article 51      Economic Sector

Institutions should mention the customer's sector according to his practiced profession. Institutions shall

use the attached annex to specify s . economic sector. Writing only the number of the economic sector will suffice. In case the customer is practicing various professions at the same time, all of them must be mentioned

Article 52

Code Number

(a) the Institution : The code number given by the Risks Bureau for the Institution preparing the statement shall be mentioned.

The customer : The customer's code number given in the detachable part of the customers list by the Risks Bureau shall be mentioned.

Article 53 : Date of Statement

End of month for the credits reported in the statement shall be mentioned.

Article 54

Credits

Credits reported in the statement shall be detailed according to the following:

Discounts

(2) Loans and advances against merchandise, excluding credits extended against import and/or export documents (items 5 and 6 below)

Loans and advances secured by real guarantees (excluding those against merchandise).

Loans and advances secured by personal guarantees

Loans and advances secured by documentary credits for imports.

- (6) Loans and advances secured by presentation of export documents.
- (7) Loans and advances against documentary credits for exports.
- (8) Unsecured loans and advances.
- (9) Acceptances.
- (10) Documentary letters of credit
- ( 1) Guarantees.

The first eight types (1-8) deal with obligations representing actual credit. But the last three (9-11) do not represent more than a promise given by the Institution to lend its signature to the customer. These types do not lead to an actual credit except in the case of customer's default.

Article 55 : Discounts

It shall be recorded under this item the credits opened and those actually used against commercial papers discounted by the customer in favour of the Institution. Excluded items are discounting collateral merchandise bonds (warrants) which are included under item (2), and discounting of promissory notes which the customer signs in favour of the Institution and which are included under one of the items 2 to 8 according to the guarantees provided to secure debt.

Article 56 : Collateral Merchandise Bonds (Warrants) and Advances against Merchandise

Under this item shall be recorded the opened and/or used credits through:

( ) Discounting collateral merchandise bonds (warrants)

(2) Loans and advances secured by pledging the customer's merchandise with the Institution.

Article 57

Loans and Advances Secured by Real Guarantees

It shall be recorded under this item the opened credits and those used as loans and advances totally secured by real guarantee (movable values, gold, foreign currencies real mortgage, commercial bonds) established especially to guarantee debt repayment, but excluding loans and advances against merchandise and the like included under item (2)

But if the mortgage does not secure more than a part of the credit, the unsecured part shall be recorded either under item (8) - unsecured advances, or under item (4) if secured by personal guarantees.

Institutions attention should be drawn to that:

( ) the credits against discounting promissory notes written by the customer in favour of the Institution and secured by real guarantee shall be recorded under item (3) unless the guarantee was merchandise then the credit in this case shall be recorded under item

Advances against pledging commercial papers shall be recorded in item (3) unless such papers are discounted then they should be recorded in item (1).

Article 58

Loans and Advances Secured by Personal Guarantees

These are the opened or used credits in the form of loans and advances extended by the Institution to a customer and are totally or partially secured by personal guarantees, or by discounting of promissory notes signed by the



customer in favour of the Institution and guaranteed by other persons.

Article 59 : Loans and Advances against Documentary Credits For Imports

These are credits extended to the customer by the Institution to cover cash payment which is part of the total amount of the documentary credit opened by the customer for imports, or are credits extended by the Institution to the customer when the former pays the cost of the imported goods and delivers shipping documents to the latter who has not yet paid its cost to the Institution.

Article 60 : Loans and Advances Secured by Presentation of Exports Documents

These represent credit extended to the exporting customer when he presents the shipping documents to the Institution which pays him its value before the Institution receives its value from the foreign importer.

Article 61 : Loans and Advances against Documentary Credits for Exports

When the Institution extends a credit to a UAE exporter against a documentary credit opened in his favour with the Institution.

Article 62 : Unsecured Loans and Advances

It shall be recorded under this item the credits opened or used by the customer without any guarantee whatsoever or against discounting promissory notes written by the customer in favour of the Institution and secured by no more than the customer.

Article 63 : Note relating to Articles 1 to 8

If both personal and real guarantees are submitted at the same time against a certain credit, Institutions are required to evaluate in each case separately the nature and weight of the submitted guarantee and under

which category the credit should preferably be recorded or to which categories should be distributed. The Institution should be careful not to record a single credit under two different items.

Article 64 : Acceptances

It shall be recorded under this item non-cash credit facilities provided by the Institution to their customers in such a manner where the Institution pledges to pay to the beneficiary the value of the commercial papers which shall become due on the customers in a later date.

Article 65 : Documentary Credits

It shall be recorded under this item the credits extended by the Institution to the customer in the form of opening documentary credits at the customer's order without debiting him with the transaction value except in a contra account or without charging him with an advance cash prepayment to cover the opened credit.

But when the customer pays an advance cash prepayment or when the Institution debits the customer's account with the amount of the advance cash prepayment, then what should be mentioned in this column will be the remaining balance of the opened documentary credit after deducting the amount of prepayment.

Article 66 Guarantees

It shall be recorded under this item the non-cash credit facilities provided by the Institutions to their customers such that the Institution pledges to pay to the creditors of its customers the value of the security asked of them against fulfilment of certain obligations in favour of their creditors. This item covers also the non-cash credit facilities extended as a result of customers guaranteeing other persons who would have never obtained these facilities had it not for the pledge of

those customers. It is required that the customer guarantor should not be originally obligated to pay such debt.

Article 67

Opened Credits - Used Credits

In the column of opened credits, the Institution shall record for each of the credit types the maximum limit opened for its customer, whether the latter has used the credit or not, and also whether the Institution has notified the customer in writing of its opening, or it has been opened pursuant to a verbal notice, or just after an internal approval. In all cases the amount of the opened credit should be mentioned even if no part thereof has been used.

With regard to the column of used credits, the Institution shall record for each of the credit types the amount actually used by the customer from the credit initial amount at the end of the month of report. Institutions should pay attention in particular to record the amount used by the customer as a used credit irrespective of whether the Institution has secured the credit from other institutions or not. Commercial papers in collection shall be considered as used credits if they were discounted. But if they were deposited by the customer for collection only they shall not be considered as used credits.

Chapter Four : Requesting Special Information

Article 68 : (1) The Risks Bureau may give the Institutions, upon their written application a statement containing the total credits extended to a given person or institution.

(2) Request for special information shall be of two types The first is to enquire about total credits extended

by all Institutions to a natural or legal person who is not an institution's customer. The second is to enquire about total credits extended by all Institutions to a natural or legal person who is an Institution's customer

(3) An Institution may not apply for special information about a natural or legal person unless such person is one of the Institution's customers, or is seeking to deal with the Institution, or the Institution is engaged in a transaction with which the customer is related and for this reason the Institution is requesting the special information.

Article 69

(1) Applications for special information about credits (banking risks) should be prepared on printed matter on Form (R.B.-7) for requests of the first type, and of Form (R.B.-8) for those of the second type.

(2) Such applications shall be in duplicate placed in red wax sealed envelope and shall be answered in accordance with the rules specified for sending statements or answering them.

Article 70

The Risks Bureau shall not reply to a verbal request especially those made by telephone. Also it shall not answer verbally or by telephone those duly submitted written requests. Also it shall not reply to request sent by telex.

Chapter Five      Miscellaneous Provisions

Article 71

The Risks Bureau shall not be held responsible for any error whatsoever that might occur as a result of a mistake or incorrect information reported to it in the statements on banking risks or for delay in reporting such information. Also this Bureau shall not be liable whatsoever for omissions or errors that might be incurred

by its employees

Article 72 : (1) Correspondence shall be addressed follows:

Central Bank of the UAE - Head of Risks Bureau  
Risks Bureau - Abu Dhabi  
P.O.Box 354

(2) Envelopes containing banking risks statements or list of code numbers or request for special information should be sealed with red wax.