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Dispute Resolution Process

Addendum – Functional Specifications

April 2008

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1. Introduction and Scope of the Document

1.1. Introduction

The Credit Information Bureau (CIB) of Bhutan is being established with a view to facilitating the distribution of credit to all sectors of the economy while encouraging credit information sharing and efficient credit documenting among the various Banks and Financial Institutions (BFIs) operating in the country.

This Dispute Resolution process is implemented to ensure the accuracy of data and improve the credibility of CIB.

1.2. Scope

This document explains the process to be followed in resolving disputes raised by the Subject based on the Self Inquiry Report. It also elucidates on the different stages involved in the Dispute Resolution process to enable CIB to efficiently handle a dispute which is raised. The process is clearly drawn to help CIB, Member Institutions and Subject to arrive at a logical conclusion to a Dispute raised by the subject in respect of information contained in a Self Inquiry Report obtained from CIB.

1.3. Basic Definitions:

1.3.1. Credit Information Report (CIR)

A report that provides credit information on Consumer and Commercial Entities issued on request to the member institutions, enabling them to make better credit decisions quickly and objectively.

1.3.2. Self Inquiry Report

A comprehensive credit report, clearly displaying the details of each credit facility availed by the Consumer or Commercial Entity and related parties with or without the name of the member institutions based on a request by the consumer or by the commercial entity through a Self Inquiry Form.



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2. Guidelines for CIB's Dispute Resolution Process

In order to define an efficient Dispute Resolution Process, CIB has identified the roles played by the various parties involved in the process. Some of the parties involved are listed below:

- ▶ **Subject** – shall mean the Consumer or Commercial Entity, whose information is provided by the Data Provider to the CIB.
- ▶ **Data Provider** – shall mean any institution that is legally required to furnish information to CIB.
- ▶ **CIB/ Credit Bureau/ Bureau** – shall mean the Credit Information Bureau of Bhutan and shall include its successors and assigns.

Essentially, a Credit Bureau is an institution that is set up in a particular country to act as a repository for the credit information provided by all its Data Providers.

- ▶ **Compliance Officer** – shall mean a person who is nominated by the Data Provider to act as one point contact for all matters pertaining to CIB and the Data Provider organization.
- ▶ **Subscriber** – shall mean a legal Entity which accesses the CIR of Subject in accordance with a subscriber agreement and provision.
- ▶ **District Court** – shall mean the judicial body which will have the sole and exclusive jurisdiction in deciding on any dispute after hearing and determining any dispute between CIB and any member institution or any person to whom such information relates, in respect of information contained in any credit and financial report issued by CIB. The District Court is identified as the final authority to whom the subject can approach in the case of the subject not satisfied with the decision of the Compliance Officer investigating the dispute.
- ▶ **Customer Service Executive (CSE)** – An employee of CIB. During the course of the Dispute Resolution Process, the CSE must ensure that the details of the Dispute Resolution Form are complete and correct. The CSE is also responsible for verifying the identification details of the Subject.

The Dispute Resolution Process clearly defines the various stages starting with the Subject notifying CIB of the dispute regarding any information in a Self Inquiry Report obtained from CIB.



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3. Various Stages Involved in Settling a Dispute

3.1. Process of Dispute Resolution

A Subject can raise a dispute in person by filling the Dispute Resolution Form and attaching a copy of the Self Inquiry Report to CIB Head office or regional branch offices. The dispute resolution form can be obtained in person from the CIB offices.

Once the details of the Subject and particulars, entered into the Dispute Resolution Form, are verified and approved by the CSE, the data are entered into the web application by the CSE. The web application will then automatically generate a unique Dispute ID and update the Dispute Status as “Open”.

CIB shall subsequently print out all the details of the dispute and send an acknowledgement to the Subject. This acknowledgement shall specifically mention the Dispute Status and the Subject’s unique Dispute ID.

CIB shall also inform all the members who had inquired on the Subject during the last three months about the occurrence of the Dispute with respect to the Subject. The Subject’s CIR should also be flagged, along with appropriate details and status of the dispute, thereby making it known to any member who queries on the Subject, that a dispute has been raised on the details provided as part of the CIR.

A specific register should be maintained to keep track of all the acknowledgements sent out from CIB. These entries in the register will clearly indicate the acceptance of the Subject on having received the acknowledgement, as well as the date of the dispatch.

3.2. Registration

The Registration stage begins with the need for the Subject to raise a dispute. This may occur due to an error or misinterpretation of information in the Subject’s Self Inquiry Report. The Subject may then decide to approach CIB (H.O or Branches) in person.

NOTE:

- The CSE of the regional branch of CIB will do the initial level cross verification and forward the filled up dispute resolution form, copies of ID proof and Self Inquiry report to CIB H.O, where the CSE will do a final check and register the dispute in the Credit Bureau system.
- The Subject shall have the right to raise a dispute within 15 days of receiving the Self Inquiry Report, if the information in the Self Inquiry Report is incorrect. No Dispute will be entertained unless a copy of the Self Inquiry Report is attached with the Dispute Resolution Form.



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3.3. Verification

Once the Dispute Status is declared “Open”, CIB shall begin its investigation. The investigation carried out by CIB shall be to understand the origin of the Dispute.

3.4. Internal Processing Error

In this case, CIB finds that the reason for the Dispute is due to some internal processing error within the bureau system. CIB should then rectify the error in the bureau system, followed up by status update within the system. The matter is then sent to the final stage of the process “**Closure of the Dispute**”.

NOTE:

The status of the dispute is marked automatically as “Amended” in the system once CIB corrected the internal processing error.

3.5. External Processing Error

In this case, CIB inspects all its systems and processes, and finds that the reason for the Dispute is not due to any internal incorrect bureau processing/ matching.

An email should be sent to the Compliance Officer of the Data Provider and legal representative of CIB informing them of the details and current status of the Dispute. The Compliance Officer will then carry out an investigation which will look into every aspect of the Dispute and verify all the facts with respect to the details mentioned in the CIR. The compliance officer has to finish the investigation within 30 business days of receipt of the complaint from CSE. After this investigation, the Compliance Officer has the sole authority to accept or reject the Dispute in the web application.

Post investigation the Compliance Officer logs into the bureau web application and update the response.

3.5.1.1. Acceptance of the Dispute by the Data Provider

In the case of acceptance of Dispute by the Data Provider, the Data Provider should correct the error and inform CIB of the same. The Corrected data should be sent to CIB through the CIB sanctioned Input File Format, where the data is processed and updated in the bureau database. Along with this data, the Data Provider can raise a flag indicating that the Input File possesses some Dispute corrected data. The matter is then sent to the final stage of the process “**Closure of the Dispute**”.

NOTE:

The status of the dispute is marked automatically as “**Amended**” in the system once the corrected data are sent to CIB. If the Dispute pertains to a Credit Facility, the data provider would have to re-submit all data fields that might be impacted due to the incorrect data. This might involve resubmission of all periodically submitted data which were impacted by the disputed information.



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3.5.1.2. Rejection of the Dispute by the Data Provider

The Compliance Officer will first send an email to CIB that will update the status of the Dispute. Subsequently, the Subject will also be sent an email update by CIB with respect to the Non–Acceptance of Dispute by the Data Provider.

After receiving the email regarding the Non–Acceptance of Dispute by the Data Provider, the Subject is given a time frame of 15 business days. If CIB does not receive any communication from the Subject during this time frame, then the Dispute will be sent to the final stage of the process “**Closure of the Dispute**”.

If the Subject decides to seek District Court’s intervention, then the matter is not connected with CIB’s Dispute Resolution process and is more of an offline process. In case of non acceptance of the status (given by Member institution) by the Subject, Subject has the option of seeking relief with the District Court. The Subject has to give the details of dispute to District Court. In this case only the Chief–CIB shall have access to update the status of the update till closure. The Chief–CIB shall update the status of the dispute to “**District Court Intervention**”, once the escalation has been made to the District Court. The District Court has to inform CIB and Subject as soon as their intervention is sought by the Subject. The matter is then sent to the final stage of the process “**Closure of the Dispute**”.

Once CIB is informed of the Acceptance of the Dispute by the Data Provider by the District Court, it will subsequently process and accept the corrected data into the bureau system.

3.6. Closure of the Dispute

This is the final stage of the Dispute Resolution Process. In this stage, the Dispute will not undergo any further examination or verification. Once the necessary changes have been made to the CIR, an email/ postal update shall be sent to the Subject and the subsequent Closure of the Dispute, by CIB. The updated/ corrected Credit Report will be hosted in a website from which all Subscribers who inquired on the Subject during the previous three months can access the reports. Once the Subject receives the updated CIR, the Dispute is considered “**Closed**”.

NOTE:

Disputes can be raised only with respect to Credit Facility and History related data. However no dispute will be entertained regarding the balance outstanding, number of days in arrears, account status between last updating date to next updating date.



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4. Dispute Resolution Process Flow

4.1. CIB Consumer Dispute Resolution Process Flow

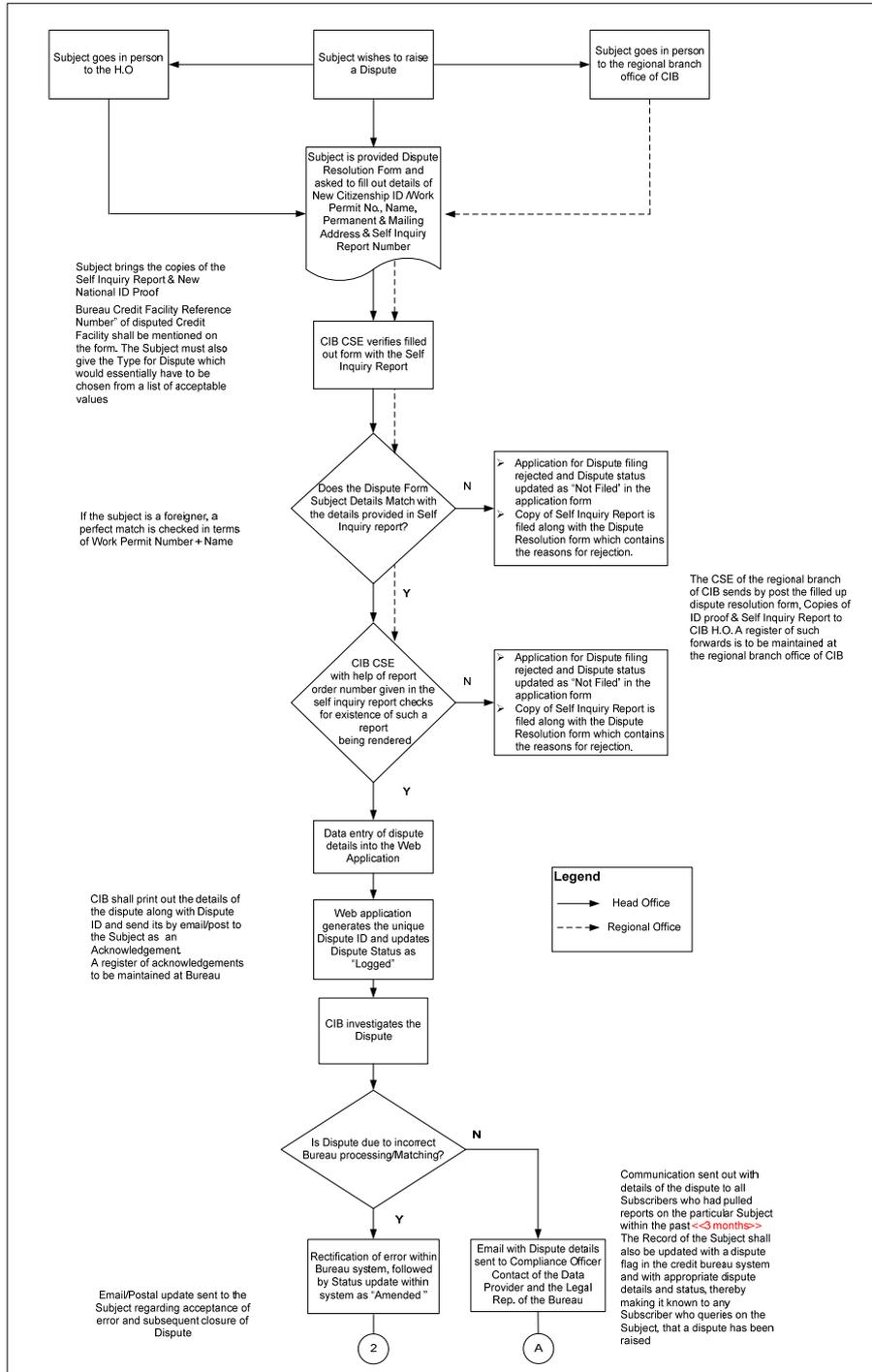


Figure 1: Consumer Dispute Resolution Process1



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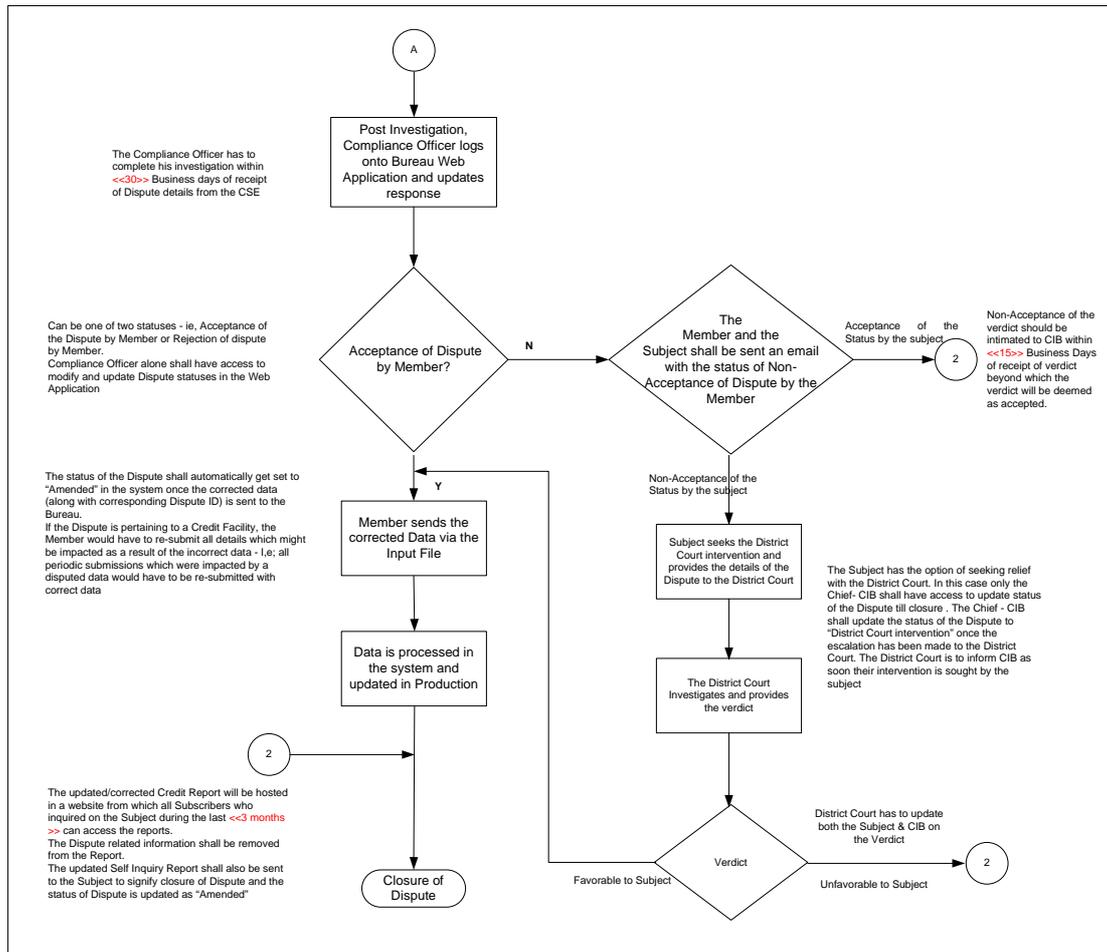


Figure 2: Consumer Dispute Resolution Process2



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4.2. CIB Commercial Dispute Resolution Process Flow

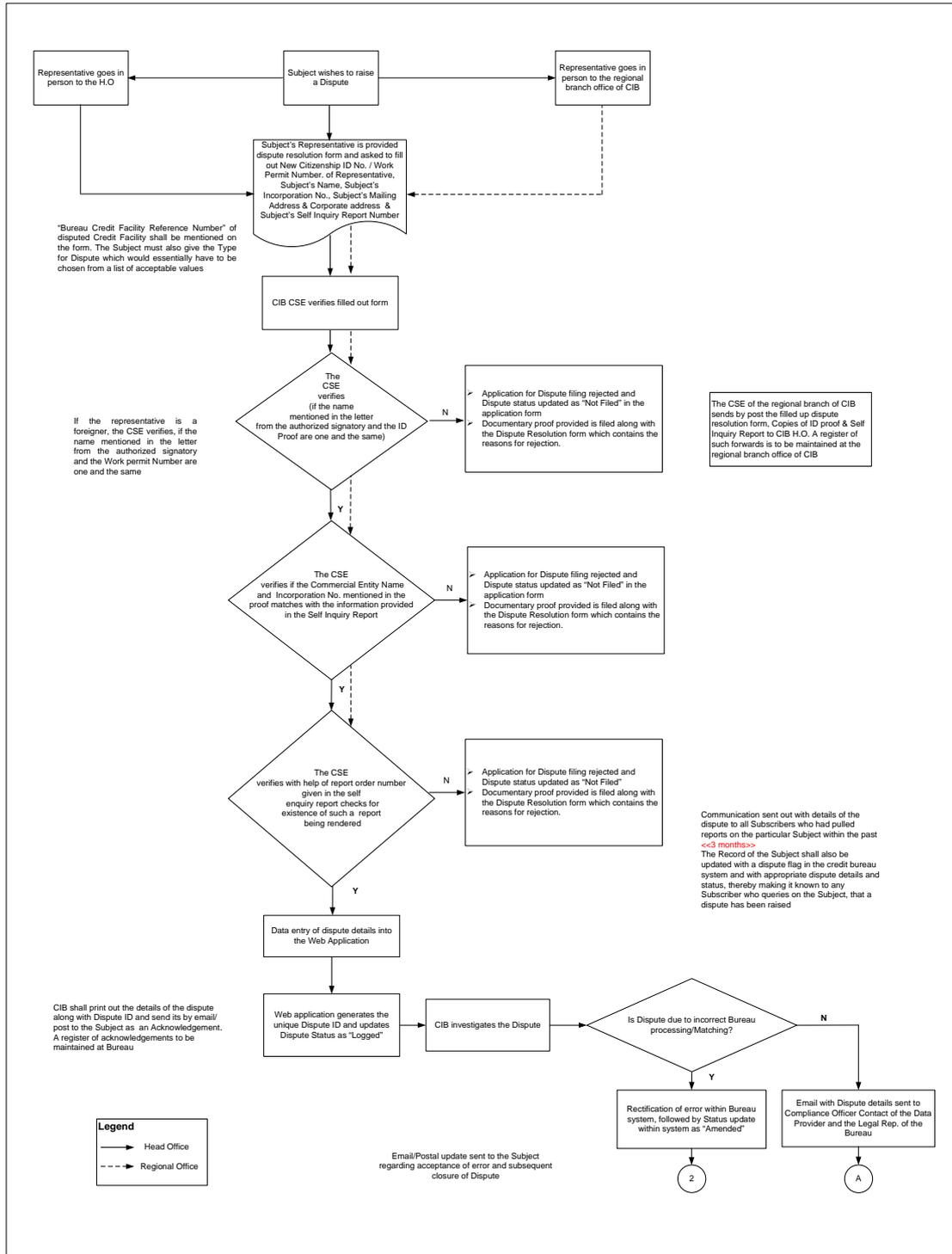


Figure 3: Commercial Dispute Resolution Process1



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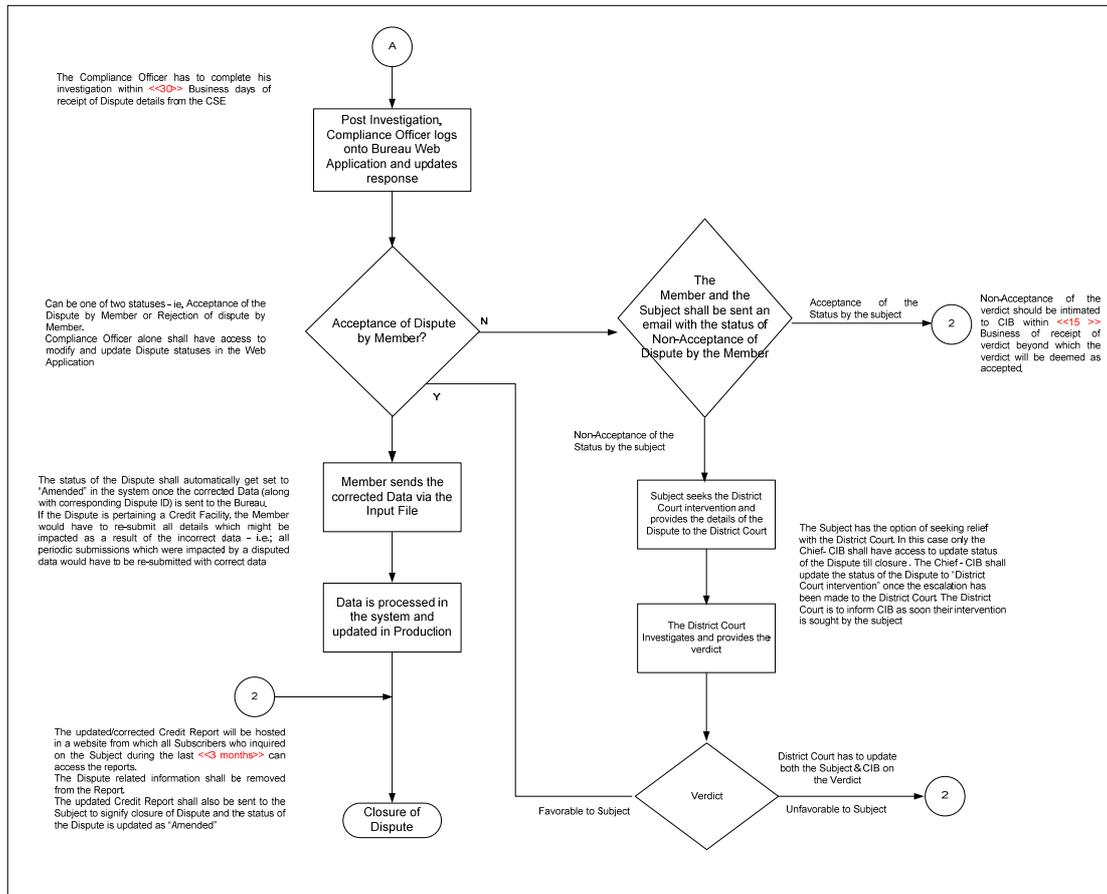


Figure 4: Commercial Dispute Resolution Process2