ROYAL MONETARY AUTHORITY OF BHUTAN

RMA/FISD/04-2006/ 4848

January 19, 2006

The Managing Director
Bank of Bhutan
Phuentsholing

The Managing Director
Bhutan National Bank
Thimphu

The Managing Director
Royal Insurance Corporation of Bhutan
Phuentsholing

The Managing Director
Bhutan Development Finance Corporation
Thimphu

The Offtg. Director
National Pension and Provident Fund Bureau
Thimphu

Sir(s),

**Subject: RMA Action plan on the final minutes of the RMA's meeting with FIs in April 2005 Point (19) Certificate of Loan Clearance**

Please refer the final minutes of the RMA's meeting with the financial institutions sent to you vide RMA/FISD/04-2004/446 dated July 20,2005 on the issue of Loan Clearance Certificate. In this regard, we would like to inform you that that the new Loan Clearance procedures which has been discussed and agreed upon by all the FIs in the meeting is being attached herewith and it shall come to effect immediately.

Please acknowledge the receipt of this letter to the FISD of RMA and ensure compliance accordingly.

Yours sincerely,

Dechen Tshering
Offtg. Managing Director

Cc: The Head, Legal Division(s) for your kind information.

ROYAL MONETARY AUTHORITY OF BHUTAN

RMA/FISD/3-2006/

January 19, 2006

# RMA NOTIFICATION

In exercise of the powers conferred by the sub-section (2b), Article 70 of Part XI of the Financial Institutions Act 1992, the Royal Monetary Authority of Bhutan hereby prescribes the following procedures for the issuance of Loan Clearance Certificate by the lending institutions which shall come to effect immediately.

Loan Clearance Certificate Procedures:

1. Loan Clearance Certificate will be issued only by the Legal Division of the Head Office of the concerned financial institution.
2. The Loan Clearance Certificate should be made available to the recipient within a period of five working days.
3. All credit information given/collected should be archived in a system.

Please ensure compliance accordingly.

Yours Sincerely

Dechen Tshering
Offtg. Managing Director