



PRESENTS

## CRITICAL LEGAL ISSUES IN CREDIT ASSESSMENT & DOCUMENTATION



### Background

Lending is fundamental area of banking business. In lending process, Bank and Financial Institutions (BFIs) to assess borrower and their credit credentials from different angles to ensure proper utilization of facilities not only for fulfilling lending objectives but also to safeguard BFIs from unwarranted legal risk.

Realizing and making efforts to identify and manage legal risk is crucial from the very beginning of credit assessment and proper legal documentation rather to think over the matter only after arising any distress situation.

Specific laws such as Bank and Financial Institutions Act, Companies Act, Banking Offense and Punishment Act etc. and NRB directives sets provisions of dos and don'ts for BFIs while lending. Besides, general law such as different Chapters of Muluki Ain is also referred to govern collateral management and securities documentation.

Recently, newly enacted Muluki Dewani Sanhita (Civil Codes) has come into enforcement by replacing decades old Muluki Ain. New civil codes introduce some of the new provisions in it and some existing provisions are also rearranged.

It is essential for BFIs to educate and train its human resources regularly in area of some critical legal issues in credit assessment and documentation for updated knowledge to minimize legal risk.

Therefore, this course is designed with objective to give legal view on critical legal issues from credit assessment and documentation perspectives in changed context.

NATIONAL BANKING INSTITUTE LTD.

Central Plaza, 6<sup>th</sup> Floor, Narayanchour, Naxal, Kathmandu, Nepal.

T : 977-1-4415903/905, 4436001 • F: 977-1-4441351

info@nbi.com.np • www.nbi.com.np

## Course Outline

Level (Low/Mid/Senior/High)	Mid (Senior Assistant/supervisor/Junior Officer to Senior officer level)
Duration	One Day
Target Audience	Relationship Officer, Credit Administrative Officer, Legal Officers, Internal Audit etc.
Program Takeaways	Understanding updated legal issues which effects to the banking business and credit documentation
Program delivery	Lecture, Discussion/interaction, Presentation & Case Studies
Date, Time & Venue	6th October 2018 (7:30 am to 2:00 pm), Hotel Royal Century, Narayanghat
Facilitator	<p>Mr. Bhola Nath Dhungana</p> <p>Mr. Dhungana completed his Post Graduate in law with specialization in commercial law. He has been working in the field of corporate law and banking for more than 18 years with experience of both public and private sector commercial banking. In banking, he started his career from Rastriya Banijya Bank Ltd. and now working as Head of Legal at Siddhartha Bank Ltd. since 2010.</p>

Session	Particulars
<b>Session I</b> (7:30am to 9:00am)	<ul style="list-style-type: none"> <li>• Fundamentals of law and legal issues related to banking                             <ul style="list-style-type: none"> <li>⇒ Fundamentals of law</li> <li>⇒ Inherent features of law and its applicability in banking</li> <li>⇒ Major laws applicable to Banking business</li> </ul> </li> </ul>
<b>Tea Break</b>	
<b>Session II</b> (9:15am to 10:45am)	<ul style="list-style-type: none"> <li>• Legal issues to consider for availing credit facilities                             <ul style="list-style-type: none"> <li>⇒ Credit client and their identification</li> <li>⇒ Legal aspect of credit evaluation</li> </ul> </li> </ul>
<b>Lunch Break</b>	
<b>Session III</b> (11:15am to 12:45pm)	<ul style="list-style-type: none"> <li>• New Muluki Ain, effects in banking and legal aspect of collateral management                             <ul style="list-style-type: none"> <li>⇒ Property and their sources and types,</li> <li>⇒ Property acceptable for securities</li> <li>⇒ Legal aspects of collateral</li> <li>⇒ Review of validation documents of proposed securities</li> </ul> </li> </ul>
<b>Tea Break</b>	
<b>Session IV</b> (1:00pm to 2:30pm)	<ul style="list-style-type: none"> <li>• Credit documentations                             <ul style="list-style-type: none"> <li>⇒ Importance of documentations and its legal base</li> <li>⇒ Guidelines for drafting of security documents</li> <li>⇒ Document executions and its legal bases</li> </ul> </li> </ul>