

MAURITIUS BANKERS ASSOCIATION



**A GUIDE FOR GUARANTORS**  
GUIDE AUX GARANTS



MAURITIUS BANKERS  
ASSOCIATION LIMITED

April 2014

## **THINGS YOU SHOULD KNOW BEFORE AGREEING TO BE A GUARANTOR**

This leaflet aims at increasing public awareness and understanding on the rights and liabilities of Guarantors before they commit to guaranteeing someone else's debt.

### ***Who is a Guarantor?***

A "guarantor" is a person who gives his movable and immovable property as security and/or a person who signs a contract of guarantee and/or promises to pay any outstanding debts if the principal debtor/s or borrower/s is/are unable to honour his/her/their obligations.

### ***What is a contract of guarantee?***

An agreement whereby the guarantor is liable to the bank to settle the outstanding debts of the borrower in case the borrower fails to pay back the credit facility.

### ***Points to consider before and after the signature of the contract of guarantee:***

#### ***Guarantors' rights***

As a Guarantor, you may:

- seek independent legal advice prior to signing the contract of guarantee to ensure that you understand your commitments and the potential consequences that may arise subsequently, even though you may be a related party with the business concern of the borrower in terms of shareholding or otherwise;
- request the bank for a copy of the contract of guarantee that you will sign;
- make enquiries from the Mauritius Credit Information Bureau (MCIB) on information which has been registered in your name by any bank;
- make complaints if you feel aggrieved by the acts/omissions committed by any bank. Banks shall guide guarantors on their respective complaints procedures;
- request for a statement of account at any time during the credit facility period. The bank shall provide the guarantor with a copy of the statement;
- obtain from the bank, prior to giving your guarantee, information on the total indebtedness of the borrower towards the bank.

#### ***Guarantors' liabilities***

The bank will:

- explain to you the responsibilities that may devolve or consequences that may arise on you in case of default of the borrower as well as the type of guarantee you are contracting;
- recommend you to read and understand the contract of guarantee before executing same;
- advise you on the extent of your liability, which may include accrued interest and will be as specified in the contract of guarantee;
- advise and caution that you may be held liable for the liabilities of the borrower in accordance with the terms of the contract of guarantee or may be rendered liable under a guarantee if the borrower is in default of any payment to the bank and/or the bank makes a demand on the guarantor;
- exercise its security as it deems fit, in case the borrower is rendered insolvent or death occurs.

# LIST OF OUR MEMBERS

## Liste de nos membres

1. ABC Banking Corporation Ltd
2. AfrAsia Bank Limited
3. Bank of Baroda
4. Bank One Limited
5. Banque des Mascareignes Ltée
6. BanyanTree Bank Limited
7. Barclays Bank Mauritius Limited
8. Bramer Banking Corporation Ltd
9. Century Banking Corporation Ltd
10. Deutsche Bank (Mauritius) Limited
11. Habib Bank Limited
12. HSBC Bank (Mauritius) Limited
13. Investec Bank (Mauritius) Limited
14. Mauritius Post and Cooperative Bank Ltd
15. P.T Bank Internasional Indonesia
16. SBI (Mauritius) Ltd
17. Standard Bank (Mauritius) Limited
18. Standard Chartered Bank (Mauritius) Limited
19. State Bank of Mauritius Ltd
20. The Hongkong and Shanghai Banking Corporation Limited
21. The Mauritius Commercial Bank Ltd



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