



CENTRAL CREDIT REGISTER

Information Sheet

The information sheet is for information purposes only. It describes the operations of the Central Credit Register, the objectives, the content, the subjects involved.

The reference regulations of the Central Credit Register are contained in the Circular of the Central Bank of the Republic of San Marino no. 2015/02 "Mandatory Information on the Central Credit Register", available at the website www.bcsm.sm, where you can also find answers to some frequently asked questions (FAQs).

1. What is the Central Credit Register?

The Central Credit Register (CCR) is an information system managed by the Central Bank of the Republic of San Marino (hereinafter CBSM), which gathers the information concerning the indebtedness of the customers, transmitted by the participating intermediaries (banks, financial companies and mutual investment funds whose assets are composed mostly of credits). The information has no certification value.

The CCR monthly reports to the intermediaries the total debt towards the San Marino financial system of each customer reported.

2. What the Central Credit Register is not

The CCR is not a "*black list*" i.e. related to bad payers only, nor a file of payment delays: the CCR collects, in fact, positive and negative information.

Registration in the CCR does not lead to any automatic assessment of the creditworthiness of the customers (the CCR is only one of the information elements to support the participating intermediaries for the purpose of arranging the procedure for granting a credit line and managing risk positions).

Failure to pay one instalment does not automatically mean a "bad payer" status.

CCR data do certify the exposure of the customers towards the credit system and are reported on the basis of conventional representation criteria in the relevant data form.

3. What is the Central Credit Register's use?

The CCR provides intermediaries with useful information to assess customer credit worthiness.

Intermediaries, using CCR data, may employ their resources more efficiently and improve the quality of the credit portfolio. The benefits for the "in bonis" customers are represented by an easier access to credit or access to credit at better conditions.

The overall improvement in the credit risk management of intermediaries contributes to strengthening the stability of the credit system.

CBSM uses CCR information to carry out its institutional tasks.

4. Who has access to the data of the Central Credit Register?

CCR data may be accessed by:

- CBSM, which manages the service, and equivalent foreign centralisation services of information on credit risks¹;
- participating intermediaries: banks, financial corporations and mutual investment funds, the assets of which are mostly made up of loans;
- the reported parties;
- the Judicial Authority.

CCR information is nominative and is confidential. It may be used only for purposes associated with the assumption of risk in its different configurations. The discipline provided by law no. 70 of 23 May 1995 as subsequently amended is not applicable, in order to protect the confidentiality of the data.

¹ The supervisory authority may exchange information on credit risks with the equivalent centralisation services of foreign countries, in the context of specific memoranda of understanding that provide for conditions of full reciprocity, or agreements on cooperation between equivalent authorities.

5. How do I access my data registered in the Central Credit Register?

The service is free of charge and data is available from the consolidation of the reports on the reference date 30 September 2017 directly at the reporting intermediary or by contacting the CBSM following the instructions provided and by filling in the appropriate forms available on the website www.bcsm.sm.

6. What information does the Central Credit Register collect?

Information regarding loans and/or guarantee relationships held by natural persons and persons other than natural persons (including joint accounts held with other persons) with the reporting intermediaries.

Participating intermediaries report to CCR the accounts with each customer by aggregating them according to a scheme established by the CBSM. The CCR therefore does not contain information about individual accounts.

7. How does the Central Credit Register work?

Monthly reporting

Participating intermediaries are required to report monthly to the CBSM any loans and/or guarantee relationship with their customers.

The reports show the situation of each customer on the last day of the month and must be sent by the 25th day of the following month.

Reporting during the month

During the month, the participating intermediaries will promptly notify the CCR qualitative information (which does not contain amounts); in particular, they communicate the classification of customer's debt as "bad loans" and/or the extinction of "bad loans" classification.

Reporting threshold

Participating intermediaries report the entire position of the customer if, at the reference date (end month), it is equal to or greater than 10,000 euros.

Bad loans and shifts from non-performing status to Losses must be reported, regardless of the amount.

End of reporting

Participating intermediaries are no longer required to send the report starting from the month during which the overall customer position has fallen below the reporting threshold or was extinguished.

The termination of the reporting requirement does not entail the cancellation of the reports related to the previous dates.

Adjustment of reports

If there are errors in the transmitted reports, the intermediaries must promptly send the related adjustments.

The CCR acquires the adjustments and communicates them immediately to all intermediaries that had received the wrong information. The updating is a continuous process; it follows that the data in the CCR archives can undergo variations even in very short time intervals.

Only intermediaries can correct the reported data; they are the owners of customer relations and have the relevant documentation. Intermediaries are the sole responsible for the accuracy of the information transmitted to the CCR. The CBSM can not modify the reports received on its own initiative.

8. What services does the Central Credit Register provide to the reporting intermediaries?

Return flow

For each reported party, the CCR aggregates the monthly reports sent by individual intermediaries, calculating the overall position of the subject to the credit and financial system (global risk position), which therefore does not disclose the details of the reporting intermediaries.

The CCR therefore sends monthly to each intermediary the global risk positions of all the names reported by such intermediary and their jointly liable parties.

The return flow is transmitted to the intermediaries at the end of the monthly reporting. For example, the reporting flow for 31 March (March data should be sent to the CCR by 25 April) is available in the first days of May.

First information

The intermediaries, besides receiving monthly, with the return flow, information on the reported names, may request the CCR to provide information on the global risk position also for the following subjects and their jointly liable parties (first information service):

- those who have turned to the intermediary for a credit line or a guarantee;
- those who are already customers of the intermediary but do not reach the reporting threshold in the CCR.

First information requests may have a maximum historical depth of 24 accounting dates and may be filed solely for purposes related to the assumption and management of credit risk.

Information during the month

The CCR communicates during the month any information on the customer's debt situation whenever a change of status occurs: the classification of a loan as "bad loan" or when the classification of "bad loan" no longer applies.

Any news on the information that affected the classification of the debts of the customers during the month supplement and update that collected through monthly reporting and is communicated to the intermediaries who submit a first information request and to the intermediaries who have received the global risk position of the party to whom the status refers in response to a first information or return flow.

9. What are the rights of the persons reported in the Central Credit Register?

Right of **access**, that is, the right to access free of charge the CCR data recorded in your name.

Right to **delegate** a subject to access data in your own name.

Right to **privacy**: in addition to the participating intermediaries, third parties are not allowed to know the information in CCR (except for judges and cases of legitimation).

Right to **data correctness**: it is possible to object to the reported data if they are not true and ask for the correction to the intermediaries.

Right to **information** (including preliminary information): intermediaries must notify the customer and any jointly liable parties in writing of the first time that the customer's debt is reported as bad loan.

The intermediaries, on request, must deliver to the party concerned information on his/her risk position, as resulting from the information flows received from the Central Bank. This information must be provided to the customer whose credit application has been refused on the basis of the information available from the Central Credit Register.