



## **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](http://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 customer indebtedness, transmitted by the participating intermediaries – banks, financial companies and mutual investment funds whose assets are composed mostly of credits, special purpose companies, CBSM and guarantee funds. The information has no certification value.

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

## **2. What the Central Credit Register is not**

The CCR is not a "*black list*" of bad payers only, nor a file of payment delays. In fact, the CCR collects both 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 in arranging the procedures to grant a credit line and manage risk positions.

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

CCR data do not 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 purpose of the Central Credit Register?**

The CCR provides intermediaries with useful information to assess customer creditworthiness.

By relying on the CR data, intermediaries may employ their resources more efficiently and improve the quality of the credit portfolio. The benefit for the "in bonis" customers is 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 this service and equivalent foreign centralisation services of information on credit risks<sup>1</sup>
- participating intermediaries<sup>2</sup>: San Marino banks and financial institutions, branches of non-resident banking and financial companies established in San Marino and enrolled in the Register of Authorized Entities (RESOAUT)<sup>3</sup>, mutual investment funds, the assets of which are mostly made up of loans, and special purpose companies, including the System Vehicle, referred to in Article 2 of Law No. 157 of August 30, 2021
- the reported parties
- the Financial Intelligence Agency
- the Judicial Authority

CCR information is nominative and 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. The disclosure of information concerning the Central Credit Register serves a public interest purpose and is carried out in compliance with Article 50 of the LISF in the exercise of supervisory activities, under the exemption regime from the application of Law No. 171/2018 pursuant to Article 1 of Decree-Law No. 210/2020.

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<sup>1</sup> The supervisory authority can exchange information on credit risks with counterparts in foreign countries, within the framework of specific memoranda of understanding that include conditions of full reciprocity or cooperation agreements between equivalent authorities.

<sup>2</sup> In addition, the participants in the CR are the Central Bank, limited to loans granted in accordance with current regulations, and guarantee funds, subject to the effective deliberation/disbursement of funds, either in cash or through underwriting, directly or through credit acquisition.

<sup>3</sup> Companies authorized to carry out, respectively, the activities referred to in letter A and letter B of Annex 1 to the LISF.

## **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](http://www.bcsm.sm).

## **6. What information does the Central Credit Register collect?**

Information regarding loans and/or guarantee relationships held by natural persons and legal entities (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 25<sup>th</sup> 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 it is equal to or greater than 10,000 euros at the reference date – end of month.

Bad loans must be reported when their respective positions, net of write-offs, amount to or exceed 250 euros.

### ***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 on previous dates.

### ***Adjustments to reports***

In case of 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, therefore modifications to the data in the Central Credit Register archives may occur within short timeframes.

Only intermediaries can correct the reported data; they are in charge of customer relations and possess all the relevant documentation. Intermediaries are the sole entities responsible for the accuracy of the information transmitted to the CCR. The CBSM cannot modify the reports received.

## **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 by early May.

### ***First information***

Besides receiving monthly information on the reported names, through the return flow, intermediaries 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.
- intermediary's customers which do not reach the reporting threshold in the CCR.

First information requests may extend up to 24 accounting dates and may only be filed 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 accuracy**: you may report inaccurate data to the intermediaries and request corrections.

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.