

NOTE

OVERVIEW OF NORDIC-BALTIC CREDIT REGISTERS/DATABASES VIS-A-VIS ANACREDIT



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[This note is a second and up-dated version of the note and accompanying spreadsheets that was sent to the Nordic-Baltic industry in December 2016. This version has been made after the countries finalised the content of their credit registers/databases. In comparison to the first version information about Latvia has been included.]

BACKGROUND

In summer 2015 it was decided to set up a Nordic-Baltic task force, TF on credit registers/databases. The overall objectives of the task force were to ensure transparency and consistency in the requirements to the Nordic-Baltic reporting agents and to provide the foundation for common communication from the participating NCB's on the work of the TF to the sector. Two of the TF's main objectives¹:

1. The TF will provide at the very least a list of all Nordic-Baltic attributes and code lists with justifications of deviations from the ECB Regulation for the RAs.
2. The TF will investigate the possibility to use a common code list for instruments and for some other domains.

These objectives have been investigated by comparing the credit registers/databases attribute-by-attribute. In case of differences a dedicated effort has been put into analysing whether the definitions and/or content could be aligned, cf. section on examples. However, due to differences in the Nordic- Baltic countries financial sectors and the legal frameworks of

¹ The remaining three objectives of the task force were:

3. The TF will investigate the possibility to implement a common data collection structure and data format
4. The TF will investigate the possibility to share data among the central banks – to avoid double reporting
5. The TF will exchange implementation plans and investigate possibilities of harmonization across different topics

the central banks, there are some differences in the Nordic-Baltic credit registers/databases (either under development or existing credit registers) that cannot be eliminated, cf. section on explanations.

This note together with two excel-spreadsheets presents the conclusions of the work of the TF and comprises:

- Overview of requirements, cf. table 1 and table 2
- List of all Nordic-Baltic attributes, cf. spreadsheet "Attributes"
- Code lists including justifications of deviations from AnaCredit, cf. spreadsheet "Code lists"

EXAMPLES OF HARMONISATIONS OF NATIONAL DEVIATIONS

- The Nordic attribute general collateral (template 8) is aligned and included in Denmark, Finland and Sweden
- Three identical attributes have been included by Denmark, Finland and Sweden, regarding the location of the collateral. This moves the responsibility of enrichment to the central bank from the reporting agents (NUTS3 location)
- To take into account expected future data model changes by the ECB, and to minimize changes in the national data model at a later stage, the same template has been included in Denmark, Finland Sweden and Lithuania regarding information on protection providers.

OVERVIEW OF NORDIC-BALTIC CREDIT REGISTERS/DATABASES

Table 1 provides an overview of the national credit registers/databases across the Nordic-Baltic countries and the implementation plans.

Overview of differences and similarities on Nordic-Baltic credit registers/databases and implementation plans							Table 1
	FI	SE	DK	EE	LT	LV	
Participating AnaCredit	Yes	Yes	No	Yes	Yes	Yes	
First reporting - reference period:	Sep-18	Mar -18	Jun-19	Sep-2018	Sep-18	Apr-2018	
Reporting frequency and population:							
Credit institutions:							
Main population	Monthly	Monthly/ Quarterly	Quarterly	Monthly/ ly/Quarterly	On- change	5 wd/ Monthly/	

					/Month ly	Quarterly
Tails	Q/Full deroga- tion	Full der- ogation	Annually	Full dero- gation	On- change /Month ly	No dero- gation
Others (not credit institutions):						
Main population	No	No	No		On- change /Month ly	Only na- tional require- ments
Tails	No	No	No		On- change /Month ly	No
Foreign branches:						
Where home NCB to RA	Partly	Yes	Partly	Partly	Yes	Yes
Where NCB host to RA	Partly	Yes	Yes	Yes	Yes	Yes
Households included	No	No	Yes	No	Yes	Yes
Threshold	No	No	No	No	No	No
Feedback loop	No	No	No	No	Yes	Yes
Delta reporting	No	No	No	Yes	Yes	Yes

EXPLANATIONS OF NATIONAL DEVIATIONS

Table 2 gives an overview of number of attributes in Nordic-Baltic credit registers/databases and if the attributes are reported, enriched or nationally added.

Overview of number of attributes in Nordic-Baltic credit registers/databases and whether they are reported, enriched, not collected/voluntary or national							Table 2
	FI	SE	DK	EE	LT	LV	
Number of attributes*	107	106	114	98	144	145	
Attributes reported**	106	94	95	96	139	132	

Of which AnaCredit attributes reported	95	85	66	94	86	70
Of which AnaCredit attributes enriched	2	11	9	2	5	13
Of which AnaCredit attributes partly enriched****	14	7	10	14	8	12
Of which AnaCredit attributes not enriched, reported or voluntary to report	0	1	10	0	0	0
Of which national attributes	12	9	29	2	45	50
AnaCredit code list adjusted	3	2	10	2	6	12

Note: *Number of attributes both reported, enriched and partly enriched
**Number of attributes reported and partly reported (partly enriched)
***Partly enriched is if the attribute is for instance enriched for some counterparties and not for others.

Below a short country by country explanation is given for the deviations in the Nordic-Baltic credit registers/databases attributes and code lists.

Denmark

Danmarks Nationalbank does not currently run a central credit register, CCR. Annual balance sheet micro data on mortgage bank's lending to Danish households is available however the reporting will be replaced with the implementation of a Danish credit database. The implementation of a Danish credit database is a joint project between Danmarks Nationalbank and the Danish FSA and both will have access to the data.

The Danish reporting agents, RA's and industry associations have from an early stage been involved in the content etc. of the Danish credit database. The Danish industry has expressed the need to be as much aligned with AnaCredit as possible; however some deviations have been mutually agreed upon:

- Data on natural persons are included from the beginning due to the high gross debt of Danish households
- 29 national attributes have been included:
 - 5 attributes due to alignment to existing statistics
 - 4 attributes due to the inclusion of natural persons

- 11 attributes primarily relevant for products offered by Danish mortgage banks. Mortgage banks are of great significance to the Danish economy. They exclusively provide loans secured on real property and the loans are solely financed by issuing bonds and for that reason the mortgage banks are the largest bond issuers in Denmark. It is therefore important that relevant characteristics about these loans (and bonds) are included in the Danish credit database.
- 9 attributes regarding collateral, of which 3 attributes are included to transfer the responsibility of enrichments to Danmarks Nationalbank and give, the RA's the possibility not to report the NUTS3 location.
- Deviations in code lists compared to AnaCredit are mainly due to align to existing reporting's to the FSA and BSI-statistics (10 attributes).

In the Danish reporting guidelines national specifications are with green writing and an appendix with an overview of attributes compared to AnaCredit is included.

Estonia

Estonia will as part of the euro area implement AnaCredit. There is currently no CCR in Estonia. Integrated reporting of statistical and supervisory data currently in place is detailed, but not on a loan-by-loan basis. RAs have expressed their preference to keep current integrated reporting and AnaCredit reporting separated.

- To align the AnaCredit data collection with current statistical and supervisory reporting and to reduce the reporting burden of the RA's, there might be some small deviations in the code lists developed for AnaCredit framework and expected to be used for local AnaCredit data transmission (e.g. institutional sector). However, deviations are expected to be small.
- Reporting relief is planned in connection of domestic counterparties reference data where Bank of Estonia will take the responsibility to enrich the dataset on the basis of additional data sources. 11 AnaCredit attributes will be enriched for domestic counterparties. Attribute(s) will be included to adapt the delta reporting.

Finland

Finland will as a part of the euro area implement AnaCredit. The Bank of Finland has a long run aim of replacing current data collection with the

new system built to process AnaCredit data. Due to this goal some of the national attributes/code lists are implemented to AnaCredit with the purpose of alignment with BSI and MIR statistics. National attributes are included in the data collection for the following reasons:

- 5 attributes are added to transfer the responsibility of enrichments to Bank of Finland instead of leaving the reporting responsibility to reporting agents (international organisations, RIAD code and the NUTS3 location for protections)
- 3 attributes are added due to known forthcoming ECB data model changes to avoid changes in national data model at a later stage (of which two attributes are forthcoming AnaCredit attributes planned by the ECB and included within the AnaCredit attributes figure in the above table)
- 6 attributes (and also a few code list value changes) are added to due to statistical needs for example to identify special cases (such as general collaterals and syndicated loans) and to follow the input layer of Bank's Integrated Reporting Dictionary, "BIRD".

The Bank of Finland has been in a close contact with the Finnish banking industry through a so called "*smaller AnaCredit working group*" which has met thirteen times by the end of October 2017. The Bank of Finland will also make use of additional data sources which may lead to several reporting reliefs (especially regarding the counterparty reference data). The Finnish FSA will also be granted with the access to the AnaCredit data collected by the Bank of Finland.

Latvia

Latvijas Banka manages the Credit Register since 2008. The main task of the Credit Register (CR) is to receive data from CR participants (credit institutions (incl. branches), credit institution subsidiaries (leasing companies), credit unions, insurers, state development company) and to ensure additional opportunities of assessing creditworthiness of its borrowers; thereby the CR data enhances fair and responsible lending and borrowing. At the same time, the CR provides information necessary for the fulfilment of the tasks of Latvijas Banka and the Latvian FSA, as well as presents additional opportunities for public institutions to receive data within the framework of the tasks stipulated by laws and regulations.

Looking forward to the ECB AnaCredit requirements, the CR is set as the main source for contributing to the ECB, thus data to be transmitted to the ECB will be part of a broader national reporting framework. We aim at consolidating the needs of the central bank, the supervisory authority

and the ECB by developing a single system that will contain all the necessary data regarding loans and credit risk data, thereby reducing the reporting burden for reporting agents. This is the reason why Latvia has some deviations and additional national requirements for reporting agents. Moreover, it is decided not to grant derogations to the small participants of the CR to ensure a homogeneous and complete database with all the necessary data in one system to meet different user requirements.

Deviations in attributes compared to the AnaCredit requirements are as follows:

- 35 already collected national attributes and 15 new national attributes;
- 7 code lists adjusted to be in line with supervisory and statistical needs and to cover additional national requirements;
- many AnaCredit attributes about resident counterparties will be enriched or partly enriched from other sources.

Differences in data reporting frequency can be explained by the main task to ensure up-to-date information on the borrower's or potential borrower's creditworthiness, e.g. the reporting agent reports data on any new loan within 5 working days to the CR; from 1 April 2018 periodic data characterising the outstanding nominal amount will be collected on a monthly basis (at the moment on a quarterly basis). National attributes describing credit risk data will be collected on a quarterly basis from 1 April 2019.

Lithuania

The Loan Risk Database (the Lithuanian CCR) was legally established in 1995 and became operational in 1996. Its primary objective was to create preconditions for the assessment of the financial position of borrowers through the centralised collection of data on loans and on the repayment of such loans. Since 2002 the Loan Risk Database started to be used for the purposes of supervision of financial institutions. Gradually the data of the Loan Risk Database was started to be used not only to assess the credibility of borrowers and for the purposes of supervision, but also for the implementation of monetary policy, statistics and policies related to the stability of the financial system. It should be noted that in 2012 the competence of the Bank of Lithuania was extended by assigning to the Bank of Lithuania the supervision of consumer credit lenders.

Lithuania will as part of the euro area implement AnaCredit. Lithuania will add 45 national attributes, of which 15 attributes are already collected in the Loan Risk Database. Deviations from the AnaCredit requirements are due to the existing credit register (and should be treated in the context of credit register evolution), alignment to existing supervisory and statistical reporting and due to new tasks of the Bank of Lithuania.

Deviations in attributes compared to the AnaCredit requirements are as follows:

- 12 national attributes on natural persons are included, of which 5 attributes are already collected and 2 new attributes are added in order to properly identify non-resident natural persons
- 21 new attributes are added due to micro/macro prudential supervision and financial stability
- 3 new attributes are added in relation to provisions of the law on financial collateral arrangements
- Code lists for 6 AnaCredit attributes are augmented to align with supervisory and statistical reporting and to cover additional national requirements

48 AnaCredit and national attributes that will be used for feedback loops will be collected on change basis by 2 w.d. (by 1 w.d. as from 1 January 2020). Remaining attributes will be collected with a monthly frequency or on change basis by 8 w.d.

Sweden

There is currently no CCR in Sweden. The Swedish credit database will be established at Statistics Sweden on commission by Sveriges Riksbank. The Riksbank and the Financial Supervisory authority will both have access to the data.

Sveriges Riksbank and representatives from the Swedish banking industry have met regularly over the last year and various issues related to the implementation of the Swedish credit database have been discussed. One aim has been to align as much as possible to AnaCredit and other countries but nevertheless some deviations are deemed necessary.

- 9 national attributes have been added for the following reasons:
 - 2 attributes have been added in order to align to existing statistics, both of these attributes also enhances the analytical value of the data
 - 1 attribute has been added to adapt the reporting to a specific national product

- 5 attributes have been added to transfer the responsibility of enrichments to Sveriges Riksbank instead of leaving the reporting responsibility to RA's (international organisations ID, RIAD code and real estate collateral location attributes).
- 1 attribute has been added due to known forthcoming ECB data model changes to avoid changes in the national data model at a later stage
- Deviations in code lists compared to AnaCredit are done to align to existing reporting and to enhance the analytical value of the data (1 attribute) and to adapt to national products (1 attribute).

Norway

Norway does not have a credit register. A working group from Norges Bank and Finanstilsynet (The Financial Supervisory Authority of Norway) has performed a preliminary cost-benefit analysis of an AnaCredit-like register in Norway. The report is sent to the Ministry of Finance (The macro prudential authority in Norway) for further decision.

A new law ("Gjeldsinformasjonsloven") as of 1. November 2017 states that a register of all consumer credit shall be established. The law states that Norges Bank and The Financial Supervisory Authority of Norway will get access to the data at a granular level. According to the law collateralized debt can be included in register by a regulation. Finance Norway (the industry organisation for the financial industry in Norway) has in a hearing suggested that all household debt should be included in this register.

EXPLANATION TO APPENDIXES

The two spreadsheets, accompanying this note comprise:

- AnaCredit as well as national Nordic-Baltic attributes
- Code lists of all attributes

Font colours

- Blue: AnaCredit identifiers combining the data sets are written in blue,
- Black: AnaCredit variables and code lists are written in black,
- Red: national attributes and code lists are written in red.

Abbreviations

It is noted whether attributes and code lists in a country are:

- R: reported
- N: not reported
- E: enriched