

PUBLIC CREDIT REGISTERS IN ITALY

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CREDIT AND INTERNATIONAL DEPARTMENT

Purpose

THE PURPOSES

1. ASSESSING THE CREDITWORTHINESS OF BORROWERS
2. IMPROVING THE QUALITY OF BANKING PORTFOLIO
3. ENHANCE THE STABILITY OF CREDIT AND FINANCIAL SYSTEM

THE SUCCESS



SERVICE IS COMPULSORY FOR INTERMEDIARIES

Partecipating intermediaries

- Italian Banks (including their branches abroad)
- Branches in Italy of EU
- Non EU Banks
- Financial Institution supervised by Bank of Italy

Parties reported on

- **ALL TYPES OF CUSTOMERS**

For each name, the intermediary reports the data:

1. **Necessary to identification** (name, surname, place and date of birth, corporate name, tax code, location of legal office, entry in the register of economic and administrative data at the Company Register)
2. Useful for statistical purposes (legal nature, business activity etc.)

IDENTIFICATION BY CODE NUMBER (C.R. CODE)

MONTHLY REPORT

- **Loans, guarantees, personal guarantees issued by the customer (individual or joint) or other data useful for credit management (e.g factoring) for value above (€77.469)**
- **Bad debt whatever the amount**

The intermediaries must also report co-obligor relations between companies reported on and shareholders with unlimited joint and several liability for the obligations of the company (*de facto* companies, simple companies, companies in collective name, simple partnerships and partnerships by shares, restricted to the unlimited partners only)

USEFUL FOR CREDIT RISK MANAGEMENT

Status of customer

- PCR also records qualitative information on the debt position of customers when there is a change of status (from performing to non performing status)
- Report within 3 working days

Information to intermediaries

- **Personalised feedback**
- **Statistical feedback**
- **Information on request**

Information to intermediaries

Personalised feedback

- every month Register transmits a personalised return flow to each reporting bank
- it concern the overall risk position of each customer and related parties connected
- The data concern also
 - the amount of overdraft
 - the number of inetrmediaries filling reports on that customers
 - the number of request for initial information for the past 6 months

Statistical feedback

- Bank of Italy provides a monthly transmission to each participant with a series of statistical distribution based on intermediaries' report
- the distributions are arranged according to individual reporting categories and classifying variables
 - by aggregation of categories and variables
 - by branches of economic activity
 - by site of registered office of the customer
 - characteristic of the reporting entities and size loans

Information on request

- **information asked by intermediaries on the overall position of person they have not filed reported**
- **intermediaries pay a fee for the service**

Intermediaries responsibilities and Bank of Italy safeguards

- **The participating intermediaries are responsible for the accuracy of the data**
- **Bank of Italy cannot modify the inside information**
- **Every intermediary can rectify every possible error which will be transmitted to all participants in the system**
- **Bank of Italy has special safeguards for the efficiency of service (automatic system), protection against unauthorized access (encryption system) and data reliability (controls)**

Confidentiality of data

- Bank of Italy, as a non economic public entity, does not need the consent of person involved for the treatment of the Credit Register data
- Participating intermediaries are also exonerated from the obligation of obtaining consent
- Upon specific request, intermediaries are required to inform the borrower of his risk position

Low value Central credit Register

- Report information from € 30,987 to € 77,469
- Same rules of Central Credit Register
- Not bad information