



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

AnaCredit

High-Level Requirements and Scope

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Version 1.1	June 2016	Draft notes for comments
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On 18 May 2016 the Governing Council of the ECB adopted the [Regulation on the collection of granular credit and credit risk data](#) (AnaCredit). The purpose of this explanatory note is to provide background information, outline the high-level requirements of the AnaCredit project and to clarify some specific issues in relation to the implementation of AnaCredit in Ireland.

1. Background information

The AnaCredit Regulation outlines the collection of granular credit data based on harmonised ECB statistical reporting requirements, with a view to establishing a common granular credit database shared between the Eurosystem members and comprising input data for all euro area Member States.

Granular credit data can be widely used to serve a number of different functions. The AnaCredit data will facilitate a better understanding of the monetary policy transmission channel, particularly regarding small and medium-sized enterprises (SMEs) – the backbone of the economy in terms of investment and employment opportunities. The data will substantially contribute to improving existing statistics, as they provide important details not currently available from other data sources. The detailed information contained in the AnaCredit datasets will also facilitate financial stability surveillance and macroprudential policy.

2. Core reporting requirements

2.1 Reporting population

All Irish resident credit institutions are subject to the reporting requirements laid out in the AnaCredit Regulation. This includes:

- Institutions incorporated and located in the Republic of Ireland, including subsidiaries of parent companies located outside the Republic of Ireland;
- Branches of institutions that have their head office outside the Republic of Ireland.

A full [list of Irish resident credit institutions](#) is available on the Statistics page of the Central Bank website.

These are the **reporting agents**, as defined in Article 1(8) of the Regulation. These entities should report AnaCredit data relating to credit granted or serviced by the domestic part (resident office) of the entity as well as any foreign branch controlled by the reporting agent. Both the resident office and the foreign branches of the Irish credit institution are the **observed agents**, as defined in Article 1(9). An observed agent is an institutional unit whose activity as creditor or servicer is reported by the reporting agent.

This implies that the scope of the data reported to the Central Bank of Ireland by its reporting agents covers data on credit extended or serviced by the following observed agents:

- Credit institutions located in Ireland, including branches of foreign credit institutions
- Branches of Irish credit institutions, located in other euro area countries
- Branches of Irish credit institutions, located in countries outside the euro area

Data relating to foreign subsidiaries of Irish credit institutions are not included.

Reporting agents shall report AnaCredit data on an individual basis in accordance with the templates described below under 'Datasets and Data Attributes'. Reporting agents that are legal entities report in

relation to all observed agents that are part of the legal entity. Reporting agents that are foreign branches located in Ireland report in relation to their own activity. Please refer to the flow charts in Annex 1.

2.2 Scope

Instruments

The term “credit” is defined broadly under the Regulation. Any item by means of which credit is extended to a debtor is referred to as an instrument. However, credit derivatives or strict off-balance sheet items (such as financial guarantees) are excluded from the scope of the Regulation.

Instruments to be collected comprise outstanding financing under any of the following types of credit:

- Deposits other than reverse repurchase agreements
- Overdrafts
- Credit card debt
- Revolving credit other than overdrafts and credit card debt
- Credit lines other than revolving credit
- Reverse repurchase agreements
- Trade receivables
- Financial leases
- Other loans

Broadly speaking, credit data related to these instruments should be reported if the credit risk arising under the instrument lies with the observed agent. This implies that any deposits received by the observed agent are not part of the data collection.

In addition, however, instruments that are serviced by the observed agent without generating credit risk for them should be reported. This implies that instruments held by entities other than credit institutions, for example financial vehicle corporations engaged in securitisation activities, are included in the scope of AnaCredit, provided that the observed agent is the servicer.

Debtors

The AnaCredit Regulation covers credit extended to legal entities. A legal entity is any entity which, under national law, can acquire legal rights and obligations. Instruments that have multiple debtors are in the scope of the data collection, provided that at least one of the debtors is a legal entity. No information in relation to natural persons is required.

2.3 Datasets and data attributes

The AnaCredit reporting requirements are laid out in ten inter-related reporting datasets. Each dataset stores individual records and consists of a number of data attributes related to one of the following:

- a) The eligible instrument
- b) The collateral or guarantee (referred to in the Regulation as ‘protection’) securing the instrument
- c) Any counterparty related to the instrument or providing the collateral/guarantee

These ten reporting datasets are laid out in a separate document: **AnaCredit Regulation_Data Tables**. A brief description is provided for the data contained in each dataset, as well as the list of attributes in that dataset.

The level of granularity differs depending on the dataset, i.e. the relevant attributes apply at the instrument level, or the counterparty level or the protection level. In some cases it may be a combination of the two, for example the counterparty-instrument combination. In this case a data attribute must be collected for every combination of counterparty and instrument. For example, if the attribute in question is 'counterparty role' then data must be provided to describe the role of all counterparties in each instrument.

The frequency of each dataset also differs. The datasets that are monthly or quarterly contain data that will likely change all the time, like account balances and other monetary amounts. These must be reported every month or quarter, regardless of whether they actually change.

Datasets with a frequency described as "update" contain information that will tend not to change regularly. These tables are reported if a new record appears, or if there is a need to change/update an existing record.

In addition to the data attributes, every dataset includes a number of internal identifiers. These are a crucial component of the AnaCredit data model and they ensure that each entry can be uniquely identified. These identifiers are:

- Reporting agent identifier
- Observed agent identifier
- Counterparty identifier
- Contract identifier
- Instrument identifier
- Protection identifier
- Protection provider identifier

2.4 First Reporting

The first reporting relates to data for **30 September 2018**. For the credit data (Tables 2–9), monthly data will be required to be submitted at T+15 working days. Quarterly data will be required to be submitted at T+20 working days.

Counterparty reference data must be transmitted to the ECB six months prior to the first transmission of credit data. In order to meet this deadline, the Regulation permits the Central Bank to collect the data in Table 1 from **31st December 2017**. A facility to submit any available data prior to that, on a voluntary basis, will also be made available from October 2017. The deadline for first submission of all counterparty reference data is 31st January 2018. New counterparties or updates to existing counterparties should be reported on a monthly basis no later than T+5 working days.

The reporting schedule is summarised in Table 1, along with the relevant reporting dates up to end-2019.

Table 1: Regular Reporting Schedule

		<i>(T+5 work days)</i>	<i>(T+15 work days)</i>	<i>(T+20 work days)</i>
Month	Reference date (T)	Counterparty Reference Data Deadline	Monthly Credit Data Deadline	Quarterly Credit Data Deadline
Sep-2018	30 Sep 2018	05 Oct 2018	19 Oct 2018	26 Oct 2018
Oct-2018	31 Oct 2018	07 Nov 2018	21 Nov 2018	29 Jan 2019
Nov-2018	30 Nov 2018	07 Dec 2018	21 Dec 2018	30 Apr 2019
Dec-2018	31 Dec 2018	08 Jan 2019	22 Jan 2019	26 Jul 2019
Jan-2019	31 Jan 2019	07 Feb 2019	21 Feb 2019	29 Oct 2019
Feb-2019	28 Feb 2019	07 Mar 2019	22 Mar 2019	29 Jan 2020
Mar-2019	31 Mar 2019	05 Apr 2019	23 Apr 2019	28 Apr 2020
Apr-2019	30 Apr 2019	08 May 2019	22 May 2019	28 Jul 2020
May-2019	31 May 2019	10 Jun 2019	24 Jun 2019	28 Oct 2020
Jun-2019	30 Jun 2019	05 Jul 2019	19 Jul 2019	28 Jan 2021
Jul-2019	31 Jul 2019	08 Aug 2019	22 Aug 2019	28 Apr 2021
Aug-2019	31 Aug 2019	06 Sep 2019	20 Sep 2019	28 Jul 2021
Sep-2019	30 Sep 2019	07 Oct 2019	21 Oct 2019	28 Oct 2021
Oct-2019	31 Oct 2019	07 Nov 2019	21 Nov 2019	28 Jan 2022
Nov-2019	30 Nov 2019	06 Dec 2019	20 Dec 2019	28 Apr 2022
Dec-2019	31 Dec 2019	08 Jan 2020	22 Jan 2020	28 Jul 2022

3. Other national specific issues

3.1 Derogations

Article 16 of the Regulation allows for derogations to be applied to small reporting agents. A full derogation may be granted by the Central Bank to small reporting agents, provided that the combined contribution of these reporting agents to the total outstanding amount of loans reported under the BSI Regulation (RS2 return) by all reporting agents resident in Ireland does not exceed 2%.

Furthermore, the Central Bank is entitled to allow small reporting agents to report credit data relating to reporting reference dates prior to 1st January 2021 on a quarterly instead of a monthly basis, provided that the combined contribution of these reporting agents to the total outstanding amount of loans reported under the BSI Regulation does not exceed 4%.

The Central Bank has taken the following decisions in relation to the application of such derogations:

- (1) A full derogation will be granted to a number of credit unions. The total combined contribution of credit unions to the total outstanding amount of loans reported under the BSI Regulation is in excess of 2%. Therefore, a number of credit unions will be obliged to report. No resident banks will be granted a full derogation.

- (2) A partial derogation (i.e. quarterly reporting until January 2021) will be granted to the credit unions that are outside the scope of the full derogation in (1). No resident banks will be granted a partial derogation.

3.2 Feedback loop to reporting agents

Article 11 of the Regulation gives the Central Bank the right to provide credit data to reporting agents by establishing or enhancing feedback loops to reporting agents. Following consultation with stakeholders, the Central Bank has decided not to establish such a feedback loop in this first phase of the AnaCredit project. The Irish Central Credit Register (CCR) will provide a credit register service to Irish credit institutions. This position may be reviewed at a later date.

3.3 Reporting threshold

In order to maximise the potential use of the AnaCredit data, the Central Bank has decided not to apply a threshold to the data. All AnaCredit-eligible instruments, as outlined in Section 2.2, where the debtor is a legal entity, should be reported to the Central Bank, regardless of the size of the exposure. This will ensure that the data can be re-used for other statistical purposes and are suitable for a broader analysis of the Irish financial sector, with the ultimate goal of reducing (or eliminating) other reporting requirements.

In practice, it may be necessary to apply a very low threshold and/or to rely on reporting agent discretion, to ensure that data reported to the Central Bank are meaningful, and do not include dormant accounts or other accounts with very low balances. The Central Bank will continue to engage with reporting agents on this issue in order to reach a practical solution. Final details will be made available in the guidance documentation due to be published approximately 15 months prior to first reporting of credit data.

3.4 Reporting by/for foreign branches

Reporting agents that are foreign branches (i.e. a credit institution resident in Ireland that is a branch of a foreign credit institution) should report all AnaCredit data (Tables 1–10) relating to their own activities.

Reporting agents that have foreign branches resident in another euro area country should also report all AnaCredit data (Tables 1–10) relating to their own activities and relating to the activities of those foreign branches.

In the event that both the branch and its parent credit institution are resident in euro area countries, these guidelines, also displayed in the flow charts in Annex 1, imply that there will be double reporting of data relating to foreign branches, as the data will be reported to both the “home” and “host” NCB. The Central Bank requires all data relating to foreign branches operating in Ireland, in order to maximise the potential uses of these data.

The Central Bank is currently exploring other means by which these data could be obtained, with a view to minimising or eliminating this double reporting burden. Ongoing discussions and negotiations with the ECB and with other relevant National Central Banks endeavour to secure an arrangement whereby data could be collected once and shared appropriately. It is anticipated that this process will be completed by end-March 2017, and all affected reporting agents will be notified of the outcome at that time.

3.5 Foreign branches located outside the euro area

As outlined in Section 2.1, the AnaCredit Regulation refers to the institutional units whose activities as creditors and servicers are reported by the Reporting Agent as “Observed Agents”. The Observed Agent can refer to the domestic part of the Reporting Agent, or to a foreign branch of the Reporting Agent. The Regulation gives the National Central Bank the option to exclude foreign branches that are not resident in a reporting member state (euro area country).

The Central Bank has taken the decision to exclude these Observed Agents that are not resident in euro area countries. Reporting agents with foreign branches located in countries outside the euro area will not be required to report any data relating to these branches to the Central Bank.

3.6 Central Credit Register

Collection of data for the Irish Central Credit Register (CCR) is due to commence later this year. While the scope and purpose of the CCR and AnaCredit projects are very different, there is some overlap in terms of data requirements. During the first design phase of the CCR project, the attributes and domain values were developed to align with AnaCredit where possible. This work will continue as the CCR project progresses and as the focus shifts from private individuals to business entities.

Based on the preliminary analysis undertaken by the Central Bank’s AnaCredit team, 36 of the 95 AnaCredit attributes were identified that might re-use CCR information in one of the following ways:

- (1) Direct: The CCR attribute is directly aligned with the AnaCredit attribute, i.e. the CCR value meets the AnaCredit requirement
- (2) Transformation: CCR attribute information can be used to meet an AnaCredit attribute requirement, however additional work or information may be required
- (3) Mapping: CCR attribute domain values can be mapped to an AnaCredit attribute domain values

Note that (2) and (3) do not necessarily imply that the full AnaCredit requirement is satisfied by the available CCR information. They imply that CCR information can be used for the AnaCredit attribute, but additional information may also be required.

Full details on the overlap between CCR and AnaCredit will be made available in due course, following finalisation of the CCR Regulations. The mapping exercise undertaken by the Central Bank may be useful for banks’ internal planning. However, it should be noted that the full set of AnaCredit data will be required to be reported, independently of CCR reporting. Furthermore, a significant amount of information required for AnaCredit is not included in the CCR, and so reporting agents should plan accordingly.

3.7 Other granular credit data – AnaCredit national “Add-On”

The Central Bank currently collects loan-level data from a small number of credit institutions on a semi-annual basis. These data are primarily collected for prudential purposes. They also serve wider analytical purposes, and are frequently used as input into economic research and financial stability analysis.

The Central Bank is currently exploring the potential for this data collection to be integrated with the AnaCredit project. Many of the data fields collected as part of the current loan-level data are covered by the AnaCredit attribute list. Additional information would be captured in a separate ‘national template’ (i.e. Table 11) and this will only apply to a limited number of reporting agents.

The Banking Supervision Analytics Division is reviewing the AnaCredit requirements alongside their own data needs. Full details will be finalised in the coming months and will be made available to relevant reporting agents.

3.8 Counterparty reference data

To ensure the unique identification of all AnaCredit counterparties, it is imperative that reporting agents provide the following information for all counterparties:

- (1) **Counterparty identifier:** An identifier applied by the reporting agent to uniquely identify each counterparty. Each counterparty must have one counterparty identifier. This value will not change over time and cannot be used as the counterparty identifier for any other counterparty. This is the reporting agent's internal counterparty identifier.
This ensures the unique identification of a counterparty within an individual reporting agent.
- (2) **National identifier:** A commonly used identification code which enables the unambiguous identification of a counterparty or of the legal entity of which the counterparty forms part within its country of residence.
This ensures the unique identification of a counterparty across all reporting agents.

For an Irish resident counterparty, the **Company Registrations Office (CRO) number** for the legal entity must be provided if it exists. To the best of our knowledge, this is the only national identifier that is public, i.e. it is freely accessible by the Central Bank, reporting agents and the counterparty itself. Therefore, if a CRO number exists, then it is available, and must be reported.

If a CRO number does not exist, then another identifier can be provided. One such example is the VAT number, although other identifier types may also exist and can be reported. Furthermore, the LEI code should also be reported if it exists. Full guidance on the reporting of national identifiers will be made available in detailed compilation notes for the counterparty reference data return.

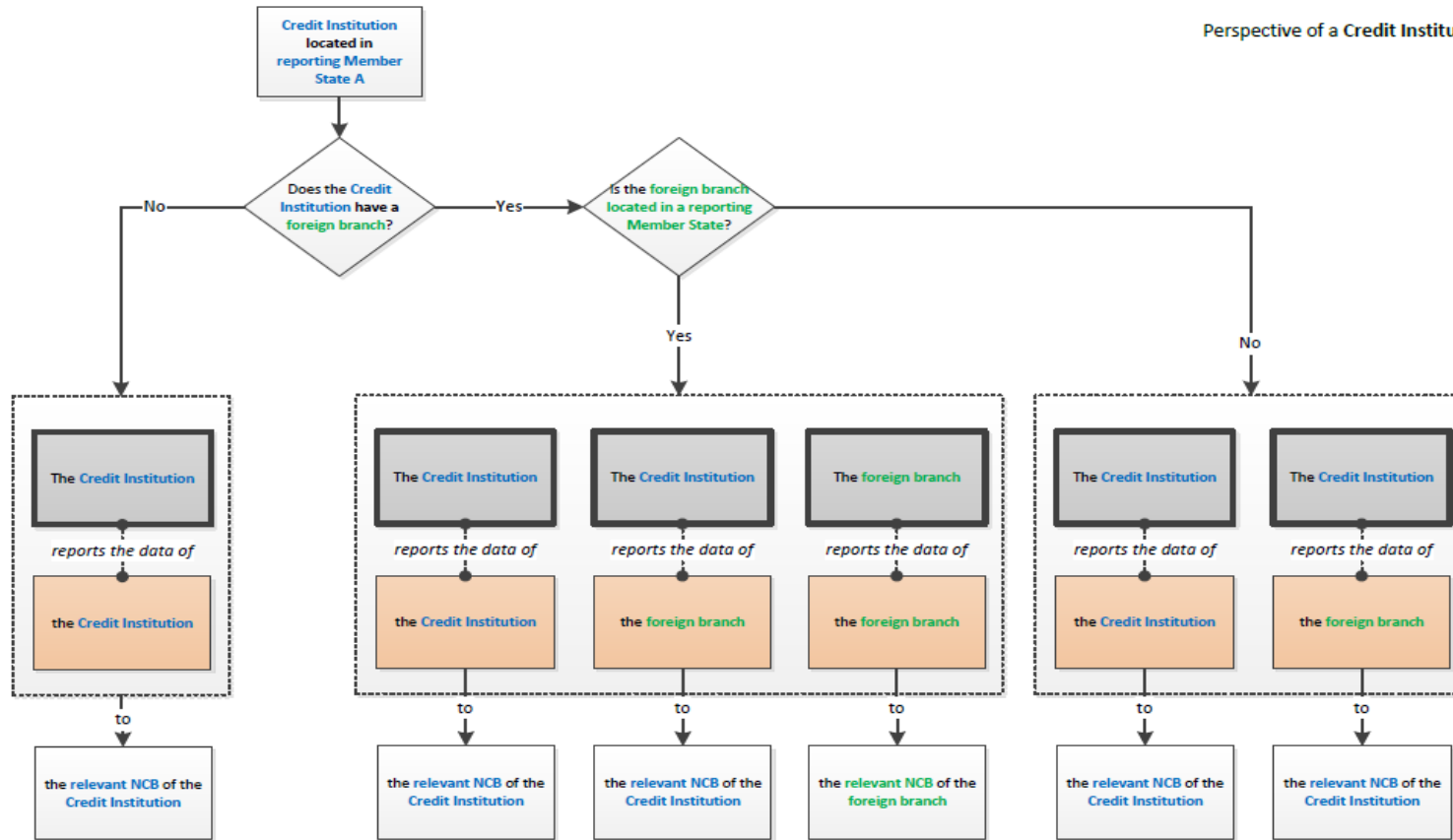
For non-Irish resident counterparties, a list of commonly used national identifiers for other countries will be available in the forthcoming AnaCredit Manual. Please refer to this list and request the relevant identifier from the non-Irish resident counterparty. This list will be made available in the coming months.

3.9 Reporting format

The Central Bank has taken the decision to use XML file format for all reporting forms. Further details, including the XML schemas will be made available in the coming months.

Annex 1

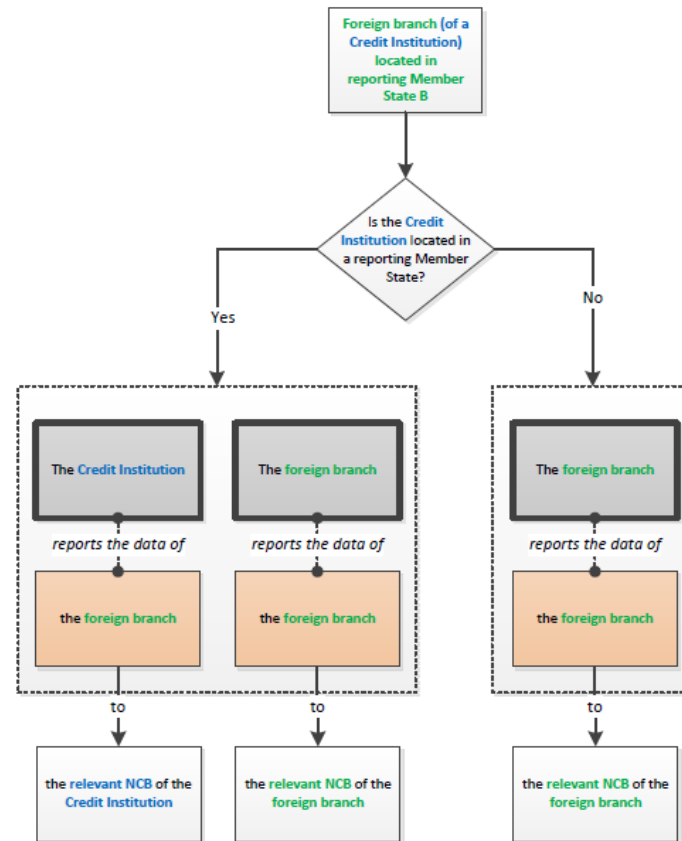
Perspective of a Credit Institution



Notes:



Perspective of a foreign branch of a Credit Institution



Notes:

