

Regulation No. 161

Rīga, 18 January 2018

## **Regulation on the Provision of Information on the Credit Institutions' Credit Exposures and the Persons Involved**

Note.

As amended by Latvijas Banka's Regulation No. 171 of 28 March 2019 (in effect as of 1 April 2019).

Issued pursuant to Paragraph 2 of Article 39  
of the Law on Latvijas Banka

### **I General Provisions**

1. The Regulation stipulates the procedure and time frame established for compiling and submitting information to Latvijas Banka by a credit institution registered in the Republic of Latvia and a branch registered in the Republic of Latvia of a credit institution registered in a foreign country (hereinafter referred to as the "information provider") on the following:

- 1.1 interbank credit exposures;
- 1.2 credit exposures to the following legal persons:
  - 1.2.1 factoring debtors,
  - 1.2.2 unauthorised overdraft debtors,
  - 1.2.3 debtors of other types of claims for funds;
- 1.3 legal persons involved in the following transactions as collateral providers, creditors, service providers or originators:
  - 1.3.1 interbank credit exposures,
  - 1.3.2 credit exposures to legal persons referred to in Paragraph 1.2 of the Regulation,
  - 1.3.3 transactions involving the provision of financial services within the meaning of the Credit Register Law (hereinafter referred to as the "financial services").

2. Terms used in the Regulation:

- 2.1 credit exposure: a transaction corresponding to one of the types of credit exposures referred to in Appendix 1 to the Regulation;
- 2.2 interbank credit exposure: a credit exposure to a central bank, a credit institution registered in the Republic of Latvia or an equivalent economic operator registered in another country;
- 2.3 the term "other type of claim for funds" is used in the Regulation within the meaning of the term "deposit other than reverse repurchase agreement" used in Annex IV to Regulation of the European Central Bank of 18 May 2016 (EU) 2016/867 on the collection of granular credit and credit risk data (ECB/2016/13) (hereinafter referred to as the "ECB Regulation 2016/867");

2.4 the term "collateral provider" is used in the Regulation within the meaning of the term "protection provider" referred to in Paragraph 13 of Article 1 of ECB Regulation 2016/867;

2.5 the term "creditor" is used in the Regulation within the meaning of Paragraph 11 of Article 1 of ECB Regulation 2016/867;

2.6 the term "service provider" is used in the Regulation within the meaning of the term "servicer" referred to in Paragraph 14 of Article 1 of ECB Regulation 2016/867;

2.7 the term "originator" is used in the Regulation within the meaning of Paragraph 13 of Article 4 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012;

2.8 factoring debtor: a legal person other than a central bank, a credit institution registered in the Republic of Latvia or an equivalent economic operator registered in another country, whose unconditional obligations to perform payments to the information provider arise from the invoices issued by the customer of the information provider pursuant to the factoring customer's agreement concluded between the information provider and its customer, where the information provider, acting as a factoring provider, does not have the right of recourse against the customer;

2.9 unauthorised overdraft debtor: a legal person other than a central bank, a credit institution registered in the Republic of Latvia or an equivalent economic operator registered in another country who, with respect to the information provider, has a debit balance on a settlement account having no credit limit;

2.10 debtor of other type of claim for funds: a legal person other than a central bank, a credit institution registered in the Republic of Latvia or an equivalent economic operator registered in another country, against whom the information provider has a right to claim the repayment of funds transferred thereto.

3. Other terms are used in compliance with the glossary provided for in Latvijas Banka's Regulation stipulating the procedure for the data entry in the Credit Register.

4. The information to be provided shall correspond to the data to be entered in the Credit Registrar laid down in Latvijas Banka's Regulation stipulating the procedure for the data entry in the Credit Register, except where otherwise provided for by the Regulation.

5. The information specified in the Regulation is necessary for the compliance with the requirements of ECB Regulation 2016/867.

6. Latvijas Banka may disclose the information collected pursuant to the Regulation to the institutions referred to in Paragraph 2 of Article 40 of the Law on Latvijas Banka, subject to the provisions stipulated in the above Law.

## **II Time Frame Established for Information Preparation, Submission, Correction and Cancellation**

7. The information provider prepares the information stipulated in the Regulation on the position as at the end of the calendar month, as well as at the time of transaction expiry where the credit exposure expires during the calendar month and the relevant information has been provided in the previous months. The prepared information shall be submitted to Latvijas Banka electronically within 10 business days following the end of the respective calendar month according to Latvijas Banka's Regulation stipulating the procedure for electronic information exchange with Latvijas Banka within the framework of the Credit Register.

8. When discovering erroneous or unsubstantiated information, the information provider shall correct or cancel that information immediately, but no later than within three business days after it has been discovered.

### **III Contents of Information on Customers and Credit Exposures, and Provisions for its Submission**

9. Information on a customer:

- 9.1 uniform registration number;
- 9.2 code of the country of registration;
- 9.3 registration number;
- 9.3<sup>1</sup> type of registration number;
- 9.4 registration date;
- 9.5 name;
- 9.6 legal form;
- 9.7 registered address;
- 9.8 sector of the economy;
- 9.9 category;
- 9.10 status of legal proceedings;
- 9.11 date of the legal proceedings status;
- 9.12 default status of the customer;
- 9.13 date of default status of the customer;

10. Information on a credit exposure:

- 10.1 customer contract identifier;
- 10.2 customer's obligations identifier;
- 10.3 type of the customer's obligations;
- 10.4 purpose of the customer's obligations;
- 10.5 date of the customer's obligations taking effect;
- 10.6 date of taking over the customer's obligations;
- 10.7 settlement date;
- 10.8 end date of the customer's obligations as per customer contract;
- 10.9 actual end date of the customer's obligations;
- 10.10 amount of the customer's obligations as per customer contract;
- 10.11 reference to a syndicated loan;
- 10.12 syndicated loan contract identifier;
- 10.13 reference to the right of recourse;
- 10.14 reference to fiduciary instrument;
- 10.15 reference to a project finance loan;
- 10.16 reference to subordinated debt;
- 10.17 reference to repayment rights;
- 10.18 actual outstanding amount of the customer's obligations;
- 10.19 off-balance sheet amount of customer's obligations;
- 10.20 reference to the accounting;
- 10.21 interest rate;
- 10.22 interest rate cap;
- 10.23 interest rate floor;
- 10.24 reference rate;
- 10.25 interest rate spread;
- 10.26 interest rate type;
- 10.27 interest rate reset frequency;
- 10.28 next interest rate reset date;
- 10.29 end date of interest-only period;

10.30 collateral identifier;  
10.31 type of collateral;  
10.32 real estate collateral location;  
10.33 collateral value;  
10.34 type of collateral value;  
10.35 date of collateral value;  
10.36 collateral valuation approach;  
10.37 original collateral value;  
10.38 date of original collateral value;  
10.39 value of third party priority claims against the collateral;  
10.40 collateral allocated value;  
10.41 collateral end date;  
10.42 accrued interest;  
10.43 accumulated impairment amount;  
10.44 impairment assessment method;  
10.45 type of impairment;  
10.46 provisions associated with off-balance-sheet exposures;  
10.47 number of days past due;  
10.48 principal past due;  
10.49 interest past due;  
10.50 other payments past due;  
10.51 probability of the customer's default on its obligations;  
10.52 potential losses in the event of the customer's default on its obligations;  
10.53 reference to the assessment method;  
10.54 default status of the instrument;  
10.55 date of the default status of the instrument;  
10.56 performing status of the instrument;  
10.57 date of the performing status of the instrument;  
10.58 reference to balance sheet and off-balance sheet recognition;  
10.59 accounting classification of customer's obligations;  
10.60 amortisation type;  
10.61 payment frequency;  
10.62 fair value changes due to changes in credit risk before purchase;  
10.63 transferred amount;  
10.64 reason for the country risk transfer;  
10.65 country where the risk is transferred from;  
10.66 country where the risk is transferred to;  
10.67 type of securitisation;  
10.68 amount of losses;  
10.69 source of encumbrance;  
10.70 status of the customer's obligations;  
10.71 status feature of the customer's obligations;  
10.72 date of the status feature of the customer's obligations;  
10.73 accumulated changes in fair value due to credit risk;  
10.74 cumulative recoveries since the date of default;  
10.75 reference to the classification of customer's obligations in the trading book;  
10.76 carrying amount;  
10.77 calendar month;  
10.78 observed agent;  
10.79 reporting agent.

11. In the context of providing the information referred to in Paragraphs 9 and 10 of the Regulation, the customer is understood as the subject with whom the relevant transaction has been carried out:

11.1 in case of an interbank credit exposure, the customer is a central bank, a credit institution registered in the Republic of Latvia or an equivalent economic operator registered in another country;

11.2 in case of a credit exposure to a legal person referred to in Paragraph 1.2 of the Regulation, the customer is a factoring debtor, unauthorised overdraft debtor or a debtor of other types of claims for funds.

12. Information in the field *Registration number* shall be provided on a customer which is a non-resident legal person by stating the customer's registration number in the country of registration. Where the customer is an economic operator registered in another country, equivalent to a credit institution registered in the Republic of Latvia, the eight or eleven digits of the BIC assigned to it in accordance with the international standard ISO 9362:2014 "Business identifier codes" shall be stated when entering information in the field *Registration number*. Where the customer is an investment management company involving in a credit exposure on account of an investment fund, excluding a money market fund, or on account of an alternative investment fund, the identification code of the relative investment fund or alternative investment fund shall be stated additionally according to the list (maintained by the European Central Bank) of investment funds or alternative investment funds or the identification code in the country of registration when entering the data *Registration number* in the Register.

13. Information in the field *Category* shall be provided on a legal person non-resident with whom the relevant credit exposure has been concluded, according to the *Code list of categories* of Appendix 2 to the Regulation.

14. Information in the field *Customer contract identifier* shall be provided where the unique and constant identifier assigned to the customer's contract differs from the identifier provided in the field *Customer's obligations identifier*. Where the customer contract stipulates conditions for several credit exposures, information in the field *Customer contract identifier* shall be provided by stating the same customer contract identifier for the respective credit exposures.

15. Information in the field *Type of the customer's obligations* shall be provided by stating the type of credit exposure according to *Code list of the types of credit exposures* of Appendix 1 to the Regulation.

16. Information in the field *Customer's obligations identifier* shall be provided by stating the unique string of symbols (no more than 35 symbols) assigned by the information provider which allows identifying the respective credit exposure among other information provider's credit exposures.

17. Special conditions for providing information on a credit exposure to a customer who is a factoring debtor:

17.1 information in the fields *Sector of the economy*, *Category*, *Status of legal proceedings*, *Date of the legal proceedings status*, *Amount of the customer's obligations as per customer contract*, *Off-balance sheet amount of the customer's obligations*, *Reason for the country risk transfer*, *Country where the risk is transferred from* and *Country where the risk is transferred to* shall not be provided;

17.2 information in the field *End date of the customer's obligations as per customer contract* shall be provided by stating the end date of the factoring customer's contract;

17.3 information in the field *Actual end date of the customer's obligations* shall be provided by stating the date on which the factoring debtor has actually performed the full payment of invoices;

17.4 information in the field *Actual outstanding amount of the customer's obligations* shall be provided by stating the factoring debtor's outstanding amount and currency of the invoice at the end of the month. If there are several invoices, information on the outstanding amount and currency of each individual invoice or the total outstanding amount and currency of invoices shall be provided;

17.5 information in the field *Number of days past due* shall be provided by stating the number of days past due where the factoring debtor has fallen behind the invoice payment deadline at the end of the month. If there are several invoices, the dates when the factoring debtor has to make payments differ and the factoring debtor falls behind the deadlines specified in the invoices, the maximum number of days past due shall be stated;

17.6 information in the field *Other payments past due* shall be provided by stating the amount and currency of payments past due at the end of the calendar month specified in the invoice issued to the factoring debtor. If there are several invoices with payments past due, information on the amount and currency of the payments past due specified in each individual invoice or on the total amount and currency of all payments past due shall be stated;

17.7 information in the field *Date of the customer's obligations taking effect* shall be provided by stating the effective date of the factoring customer's contract;

17.8 information in the field *Settlement date* shall be provided by stating the date when, pursuant to the factoring customer's contract, the funds were paid out for the first time to a person having concluded a factoring customer's contract with the information provider or the date when the funds have become available to the factoring customer;

17.9 information in the field *Amortisation type* shall be provided by stating the amortisation type of the factoring customer's obligations;

17.10 information in the field *Interest rate* shall be provided by stating the interest rate on the factoring debtor's payments past due specified in the factoring customer's contract;

17.11 information in the fields *Status of the customer's obligations* and *Status feature of the customer's obligations* shall be provided pursuant to the factoring customer's contract and its amendments;

17.12 when providing information in the field *Type of collateral*, in addition to the collateral specified in the customer contract, the difference between the total amount of the advance payment paid out to the factoring customer for the first time and that of the factoring debtor's invoices (reserve) shall be stated as a separate type of collateral;

17.13 information in the fields *Probability of the customer's default on its obligations*, *Potential losses in the event of the customer's default on its obligations* and *Reference to the assessment method* shall be stated by the information provider who, at the end of the calendar month, has a valid authorisation to apply the internal ratings based approach for the calculation of risk-weighted values of credit risk exposures by stating the respective valuation with respect to the factoring debtor.

18. Special conditions for providing information on a credit exposure to a customer who is an unauthorised overdraft debtor:

18.1 information in the fields *Date of the customer's obligations taking effect* and *Settlement date* shall be provided by stating the date when a debit balance has occurred on a settlement account having no credit limit;

18.2 information in the fields *Amount of the customer's obligations as per customer contract*, *Off-balance sheet amount of the customer's obligations*, *End date of the customer's obligations as per customer contract*, *Reason for the country risk transfer*, *Country where the risk is transferred from* and *Country where the risk is transferred to* shall not be provided;

18.3 information in the field *Amortisation type* shall be provided by stating the type *Other*;

18.4 information in the field *Other payments past due* shall be provided by stating the amount of the unauthorised overdraft.

#### **IV Contents of Information on Collateral Providers, Creditors, Service Providers and Originators, and Provisions for its Submission**

19. Information on the collateral provider, creditor, service provider and originator:

19.1 customer contract identifier;

19.2 customer's obligations identifier;

19.3 collateral identifier;

19.4 reference to the function of a person involved;

19.5 information about a person involved:

19.5.1 uniform registration number;

19.5.2 code of the country of registration;

19.5.3 registration number;

19.5.3<sup>1</sup> type of registration number;

19.5.4 registration date;

19.5.5 name;

19.5.6 legal form;

19.5.7 registered address;

19.5.8 sector of the economy;

19.5.9 category;

19.5.10 status of legal proceedings;

19.5.11 date of the legal proceedings status;

19.5.12 default status of the customer's guarantor;

19.5.13 date of the default status of the customer's guarantor;

19.6 observed agent;

19.7 reporting agent.

20. The information referred to in Paragraph 19 of the Regulation shall be provided on a collateral provider, creditor, service provider (except where the data provider is simultaneously also the creditor or service provider) and originator involved in the following types of transactions:

20.1 interbank credit exposure;

20.2 credit exposure to a legal person referred to in Paragraph 1.2 of the Regulation;

20.3 a transaction involving the provision of financial services to a legal person whose data on its customer's obligations is included in the Credit Register.

21. Information in the field *Registration number* shall be provided on a non-resident legal person by stating the customer's registration number in the country of registration. Where the collateral provider, creditor, service provider or originator is an economic operator registered in another country, equivalent to a credit institution registered in the Republic of Latvia, the eight or eleven digits of the BIC assigned to it in accordance with the international standard ISO 9362:2014 "Business identifier codes" shall be stated when entering information in the field *Registration number*. Where the collateral provider is an international organisation, the identifier of the respective international organisation shall

be stated in the field *Registration number* according to the list maintained by the European Central Bank and used for the provision of data as required by ECB Regulation (EU) 2016/867.

22. Information in the field *Category* shall be provided on a legal person non-resident by stating the category of the collateral provider, creditor, service provider and originator according to *Code list of categories* of Appendix 2 to the Regulation. Where the collateral provider is an international organisation, information in the field *Category* shall not be provided.

23. Information in the field *Reference to the function of a person involved* shall be provided by stating whether the respective person is a collateral provider, creditor, service provider or originator.

24. Information in the fields *Default status of the customer's guarantor* and *Date of the default status of the customer's guarantor* shall be provided on the collateral provider where the type of collateral stated in the field *Type of collateral* is a *Credit institution warranty or guarantee, Local government warranty or guarantee, Government warranty or Other warranty or guarantee*.

## **V Final Provision**

25. The Regulation shall take effect on 1 April 2018, and the first information shall be provided on the position as at 30 April 2018.

26. Information on the collateral provider, within the meaning of the Credit Register Law – the customer's guarantor, shall be provided starting from the position as at 30 June 2019.

27. Information in the field *Type of registration number* shall be provided starting from the position as at 30 September 2019.

Governor of Latvijas Banka

I. Rimšēvičs



**Code list of the types of credit exposures**

<b>Type of credit exposure</b>	<b>Code</b>
Other types of claims for funds against another credit institution or a central bank  (including a financial transaction with credit risk on the assets side, cash balance at a central bank, margin payment where it is provided as collateral for funds, overdraft, as well as the balance of short-term money market transactions and the balance on the nostro account)	13
Other types of claims for funds against a debtor of other type of claim for funds (including margin payment where it is provided as collateral for funds, including for transactions in securities)	14
Unauthorised overdraft (unauthorised debit balance on a settlement account having no credit limit (unauthorised debit))	15
Reverse repo transaction with another credit institution (reverse repurchase agreement)	30
Factoring (factoring without the right of recourse)	90
Other loans (including claim for funds against a legal person whose credit institution licence has been cancelled)	95

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**Code list of categories**

<b>Category</b>	<b>Code</b>
Public institutional units (central government)	10
Central bank	11
Credit institution	12
Local government	20
State government	21
Corporation the business of which is to take deposits (except a credit institution)	22
Money market fund	23
Financial vehicle corporation engaged in securitisation transactions (according to Paragraphs 1 and 2 of Article 1 of Regulation (EU) No. 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2013/40))	24
Social security fund	25
Investment fund, excluding money market fund, and alternative investment fund	30
Other financial intermediary (except an insurance corporation, pension fund and financial vehicle corporation engaged in securitisation transactions)	31
Insurance corporation	32
Pension fund	33
Financial auxiliary	34
Captive financial institution and money lender	35
Non-profit institution serving households	90
<i>Non-financial corporation:</i>	
A large enterprise which on average employs 250 or more persons annually and whose annual net turnover exceeds 50 million euro or whose annual balance sheet total assets exceed 43 million euro	41
A medium-sized enterprise which on average employs 50–249 persons annually and whose annual net turnover does not exceed 50 million euro or whose annual balance sheet total assets do not exceed 43 million euro	42
A small enterprise which on average employs 10–49 persons annually and whose annual net turnover does not exceed 10 million euro or whose annual balance sheet total assets do not exceed 10 million euro	43
A micro-enterprise which on average employs fewer than 10 persons annually and whose annual net turnover does not exceed 2 million euro or whose annual balance sheet total assets do not exceed 2 million euro	44