

Circular No. 2015-02

INFORMATION REQUIREMENTS CONCERNING THE CENTRAL CREDIT REGISTER

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1. PURPOSE AND DISCIPLINE OF THE CENTRAL CREDIT REGISTER

1.1. Definitions

For the purpose of this Circular, the expressions used herein shall have the following meaning:

- **“Assumption of debt”**: a contract based on which a party (assumer) takes on the obligation that the debtor (party assumed) has towards the creditor (contractor). The assumption of debt can be releasing or cumulative, depending on whether the original debtor is released from the obligation or remains jointly and severally bound with the assumer.
- **“Netting arrangements”**: agreements based on which two or more counterparties agree on the execution of one individual net payment, at a set time, to pay for a series of debts and loans expiring on the same date and in the same currency. The party who entered a netting arrangement with the counterparty is a creditor/debtor towards the latter if the amount (in relation to the net contract) obtained from the difference between the sum of credit positions and the sum of debt positions relating to each contract is positive/negative.
- **“Definitive purchases of credits”**: transactions for the purchase of credits with definitive payment of their price; for the purposes of the Central Credit Register, such transactions shall be considered as “factoring”.
- **“Lending activities”**: activities defined under Letter B) of Annex 1 to Law no. 165 of 17 November 2005.
- **“Bank / banks”**: party/ies authorised, as a business, to carry out the activities referred to in letter A of Annex 1 to LISF, in the Republic of San Marino.
- **“CBSM / Central Bank”**: The Central Bank of the Republic of San Marino.
- **“BRANCH CODE”**: bank routing code.
- **“Securitisation”**: transfer of loans or other non-negotiable financial assets to a qualified company, whose sole purpose is the implementation of such transactions and which provides for the conversion of such loans or assets into securities that can be traded on a secondary market.
- **“Data entry categories”**: groupings of homogeneous risk positions identified on the basis of the characteristics of the recorded transactions.
- **“Central Credit Register / CCR”**: credit risk data centralisation service.
- **“Circular”**: this circular.
- **“Data classes”**: types of amount envisaged for the various transactions being reported.
- **“Customers other than intermediaries”**: includes parties other than banks, financial companies and loan funds.
- **“Authorised Entity Code”**: identification code of the reporting intermediary.
- **“CCR code”**: identification code assigned by the Central Credit Register to the parties recorded in the database.
- **“ISO Country Code”**: ISO 3166-1 alpha-2 code (International standard for country codes).
- **“Joint account”**: joint responsibility relationship between two or more parties having independent relevance only with reference to the existence of a credit relationship of which they are joint holders.
- **“Autonomous guarantee agreement”**: promise by a party to pay a sum of money in favour of a third party, upon the latter’s simple request and with a waiver for all disputes, except for those relating to the main relationship.
- **“Cash loans”**: cash funding, including the bad loans, granted or paid by the reporting intermediaries.

- **“Consumer credit”**: credit granted in the exercise of a commercial or professional activity, in the form of a deferred payment, funding or other similar financial facility in favour of a natural person (consumer) who acts for purposes unrelated to any business or professional activity that this person might perform.
- **“Bad loans”**: see art. I.I.2, paragraph 1 point 24 of Regulations no. 2007-07 and 2011-03.
- **“Past due and/or overdue loans”**: see art. I.I.2, paragraph 1 point 26 of Regulations no. 2007-07 and 2011-03.
- **“Corresponding entity”**: entity in charge of sending reports to the Central Credit Register. This party coincides with the intermediary participating in the service when the latter does not use an external centre for sending data.
- **“Non-performing exposures”**: bad loans, unlikely to pay, past due and/or overdue loans. Exposures shall cease to be considered non-performing when all the following conditions are met:
 - a) the exposure meets the criteria applied by the reporting intermediary for such exposure to stop being classified as a reduction in value or with default status;
 - b) the debtor’s situation is improved to such an extent that repayment in full is likely, according to the original conditions or, if necessary, to the changed conditions;
 - c) the debtor has no amounts past due over more than 90 days.

In cases where forbearance measures are applied to the non-performing exposures, these exposures cease to be considered non-performing when all the following conditions are met:

- the application of the forbearance measures does not involve granting a reduction in value or the default status;
 - one year has elapsed from the application of the forbearance measures;
 - subsequently to the forbearance measures, there is no past due amount or any concern with regard to the full reimbursement of the exposure according to the post-forbearance measure conditions. The absence of concerns results from an analysis of the debtor’s financial situation on the part of the entity. Concerns can be considered overcome when the debtor, through his/her regular payments in accordance with the post-forbearance measure conditions, has reimbursed a total equivalent to the amount that was previously past due (in cases where there were any past due amounts) or that has been erased (in cases where there were no past due amounts) as part of the forbearance measures, or the debtor has otherwise proved to be able to fulfil the post-forbearance measure conditions.
- **“Performing loans”**: performing exposures. A forbore exposure can be considered as performing as of the date of application of the forbearance measures if one of the following conditions is satisfied:
 - a) such application has not determined the classification of the exposure as a non-performing exposure;
 - b) the exposure was not considered a non-performing exposure on the date of application of the forbearance measures.

When additional forbearance measures are applied to a performing contract subject to forbearance measures being tested, or such contract has expired for more than 30 days, this is classified as non-performing.

- **“Forborne exposures”**: debt contracts to which forbearance measures have been applied. Concessions include:

- a) a change in the previous terms and conditions of a contract that the debtor is considered incapable to comply with because of financial difficulties (“problematic debt”) which determine an insufficient capacity for debt servicing, and which would not have been granted had the debtor not found him/herself in such financial difficulties;
- b) the total or partial refinancing of a problematic debt contract, which would not have been granted had the debtor not found him/herself in financial difficulties.

A concession may involve a loss for the provider.

There is a concession in case of:

- difference in favour of the debtor between the amended contractual terms and the previous contractual terms;
- inclusion in the amended contract of more favourable terms than those that other debtors with a similar risk profile could have obtained from the same entity at that time.

Those agreements – entered by the debtor and a pool of intermediaries – thanks to which the existing credit lines are temporarily “frozen” in view of a formal restructuring, do not constitute concessions. What is more, these agreements do not interrupt the calculation of past due payment days relevant for the purposes of the classification of exposures among those that are “past due and/or overdue”. The calculation of the past due payment days is not interrupted even in situations in which the credit lines being “frozen” were granted by a single intermediary.

- **“Factoring”**: transfer contract, without recourse (with credit risk to be borne by the transferee) or with recourse (with credit risk to be borne by the transferor), of commercial loans to banks or specialised companies, for management and redemption purposes, which can be associated with a loan in favour of the transferor.
- **“Guarantee Fund for Depositors”**: fund established pursuant to art. 10 of LISF and the Delegated Decree no. 111 of 22 July 2011.
- **“Cooperative source”**: information acquired and/or verified by the reporting intermediaries.
- **“Official source”**: information acquired and/or verified by public registers.
- **“Collaterals”**: guarantees applied to assets of the borrowing party (internal guarantees) or to assets of parties other than the borrower (external guarantees).
- **“Unlikely to pay”**: the entire set of cash and ‘off-balance sheet’ exposures for which it is unlikely that the debtor will fulfil entirely his/her credit obligations without payment of guarantees, irrespective of the existence of any past due amounts or of the number of past due days.
- **“Insufficient guarantee”**: the negative difference between the value of the collateral that supports a credit line and the amount drawn from the latter.
- **“Outstanding payments”**: notes and other expired and unpaid documents acquired by the intermediary.
- **“Insolvency (state of)”**: non-temporary inability to fulfil the obligations assumed.
- **“Participating intermediaries”**: banks and financial companies, CBSM, guarantee funds, mutual investment funds.
- **“Financial leasing”**: financing transaction by which the intermediary lessor buys, or has tangible or intangible assets built, on the choice and indication of the lessee, who is entitled to them by payment of a fee, assumes all the related risks and has the possibility to become their owner upon expiry of the contract against payment of a pre-established redemption price.

- **“Links”**: links between individual recorded in the database and the joint obligations of which the same is a holder. The Central Credit Register records the existing link between a joint account and its individual holders.
 - **“Data entry limits”**: reporting thresholds set by the Central Bank for reporting risk positions.
 - **“LISF”**: Law No. 165 dated 17 November 2005 as subsequently amended and supplemented.
 - **“Available margin”**: positive difference between the drawn amount of a credit line and the relevant operational granted amount. It is calculated for each data entry category and classification variable without any compensation among the reports of an individual intermediary and those of a number of intermediaries.
 - **“Over the counter markets”**: markets that are not subject to control by a specific authority that regulates them.
 - **“Forbearance measures”**: concessions in favour of a debtor who is facing or is about to face difficulties in meeting his/her financial commitments (financial difficulties). The forbearance measure on a performing loan is considered as a “trial” when the minimum period of at least two years has not elapsed before the exposure is no longer to be considered as subject to forbearance measures. In this regard, all the following conditions shall apply:
 - a) the contract is considered performing, even when it has been removed from the category of non-performing contracts, after an analysis of the debtor’s financial situation showed that his/her debt no longer fulfilled the conditions required to be considered non-performing;
 - b) a trial period of at least two years has elapsed from the date on which the exposure subject to forbearance measures was considered as performing;
 - c) regular payments of more than one negligible aggregate amount of capital or interest were made during at least half of the trial period;
 - d) none of the exposures towards the debtor has been past due for more than 30 days at the end of the trial period.
- If the conditions referred to in the preceding points are not met at the end of the trial period, the exposure continues to be indicated as a performing loan subject to forbearance measures being tested until all conditions are met. The conditions are assessed at least on a quarterly basis.
- **“Risk reporting form”**: pre-defined template for the presentation of the information to be reported to the Central Credit Register, divided into data entry categories, classification variables and data classes.
 - **“Global risk position”**: overall exposure of all reporting intermediaries towards the single borrower and connected parties.
 - **“Partial risk position”**: exposure of a reporting intermediary towards the single borrower.
 - **“Pre-financing”**: issuance of financial resources (normally, short-term), which is preliminary to the granting of the main financing, intended to be reimbursed with the proceeds of the latter financing.
 - **“Subordinated loans”**: financing instruments whose negotiating arrangements provide that the bearers of the loan’s representative documents are satisfied subsequently to the other creditors in the event of liquidation of the issuing entity.
 - **“First information (service)”**: service carried out in favour of reporting intermediaries who, on the reimbursement of costs, can ask the Central Credit Register to find out about the global risk position of parties other than reported

parties, provided that the requests are made in relation to purposes connected to the credit risk taken.

- **“Repurchase agreements”**: financing transaction by means of which the reporting intermediary buys on a spot basis a determined quantity of securities and contextually resells on a term basis to the same customer an equal quantity of securities of the same kind at a predetermined price.
- **“Register of Companies”**: tool by means of which the legal publicity of the parties conducting business activities as a company is carried out. The Register is provided for by art. 6 of the Companies Law no. 47 of 23 February 2006 as subsequently amended and supplemented, and is held at the Court Registry.
- **“Resident of San Marino”**: for the purposes of this Circular, a party who usually lives in San Marino or a party who carries out an income-producing activity in San Marino. Parties possessing a residence permit (issued by a San Marino public authority) are equivalent to residents of San Marino.
- **“Rete Interbancaria - Sammarinese Interbank Network (RIS)”**: electronic transmission infrastructure for the exchange of information among the operators of the San Marino payment system.
- **“Accounting balance”**: the algebraic sum of all the debits and all the credits recorded on an account on the reference date of the report.
- **“Overdraft position”**: positive difference between the drawn amount of a credit line and the relevant operational granted amount. It is calculated for each data entry category and classification variable without any compensation among the reports of an individual intermediary and those of a number of intermediaries.
- **“Information section”**: section of the risk reporting form that highlights certain categories of transactions that, while not constituting credit lines in a strict sense, contribute to provide useful elements for the reconstruction of the debt position of the reported party.
- **“Financial company/ies”**: entity/ies authorised, as a business, to carry out the activities referred to under letter B of Annex 1 to LISF, except as otherwise specified in Annex G to this Circular.
- **“Representative branch”**: peripheral unit that the participating intermediary appoints as a centre of allocation of the relationships with the borrower.
- **“Default status”**: a default is deemed to have occurred in relation to a particular debtor when both or one of the events listed below should occur:
 - a) the reporting intermediary considers it unlikely that, without having recourse to measures such as the payment of securities, the debtor fulfils entirely his/her credit obligations towards the entity itself, its parent company or one of its subsidiaries;
 - b) the debtor is in arrears for more than 90 days on a relevant credit obligation towards the reporting intermediary, its parent company or one of its subsidiaries. This period is extended to 180 days for exposures guaranteed by residential property as well as for exposures towards public sector bodies.

In the case of retail exposures, entities may apply the definition of default referred to at points a) and b), at the level of a single credit line rather than in relation to a debtor's total obligations.

For the purposes of letter a), the following circumstances are included among the elements to be considered as indicative of the likely non-fulfilment:

- the reporting intermediary includes the credit among the bad loans or problem loans;

- the reporting intermediary recognises a specific value adjustment on credits resulting from a significant deterioration of the creditworthiness subsequently to the assumption of the exposure;
- the reporting intermediary sells the credit undergoing significant economic loss;
- the reporting intermediary agrees to a costly restructuring of the credit, which likely implies a reduced financial obligation due to a substantial remission of the debt or deferment of the payments of principal, interest or, if appropriate, commissions;
- the reporting intermediary has filed for bankruptcy for the debtor or has started a similar proceeding in relation to the debtor's obligation towards the entity, its parent company or one of its subsidiaries;
- the debtor has applied for or has been placed in a state of bankruptcy or similar situation, where this prevents or delays the reimbursement of the obligation towards the entity, its parent company or one of its subsidiaries.

For the purposes of letter b), the following shall be applied:

- a) for overdrafts, the count of days past due starts from the time when the debtor has exceeded the limit granted, has received notification of a limit lower than the existing negative balance or has used credit without authorisation and the overdraft amount is considerable. In this respect, the limit granted includes any credit limit determined by the entity and in respect of which the debtor has been informed by the entity;
- b) the count of days past due for credit cards starts from the date of debiting the minimum payment;

If the entity deems that an exposure previously classified as being in the default status is such that none of the circumstances provided for in the definition of default applies to it any longer, it classifies the debtor or the transaction as if it were a regular exposure. If, later, one of the above-mentioned circumstances were to occur, another default would be considered as having applied.

- **“TIN”**: Taxpayer Identification Number, used as the identification code of foreign natural and non-natural persons, non-residents of San Marino or of Italy.
- **“Data brought forward”**: procedure followed by the Central Credit Register in the event of the failed delivery of periodic risk reports on the part of an intermediary. In this case, the risk data reported by the intermediary with reference to the previous reporting are automatically reproduced in the return flows and in the answers to the requests for first information or periodical information.
- **“Accounting value”**: value for which the entry is included in the corporate accounting.
- **“Classification variables”**: attributes intended to qualify the nature and characteristics of the transactions that converge into the data entry categories.

As regards anything that is not expressly defined in this Circular, the definitions contained in the Regulations no. 2007-07, no. 2011-03, no. 2006-03 and in LISF shall apply.

1.2. Legal sources

The credit risk centralisation service managed by the Central Bank of the Republic of San Marino is governed by art. 50 of LISF (as subsequently amended and supplemented) and by this Circular, issued in accordance with the above-mentioned law, which defines:

- a) the authorised entities that are required to submit periodical reports on their risk positions as regards their borrowers;
- b) the quantitative thresholds concerning the risk positions below which the authorised entities are not required to submit any related report;
- c) the risk classifications;
- d) the content of the periodical reports;
- e) the procedures and terms for access by the authorised entities to the risk centralisation service;
- f) the methods for the recovery of service costs from authorised entities who are service user.

The amendments to the Annexes, given their technical nature, are published on the internet website of the Central Bank and communicated to the reporting intermediaries by means of registered letter with return receipt, with indication of the date of effect of the variations thereof, with an advance notice of no less than ten calendar days, taking into account the technical times necessary for the implementation of the corporate information systems.

1.3. Purposes of the Central Credit Register

The CENTRAL CREDIT REGISTER is an information system on the debt of the customers of the participating intermediaries in the Republic of San Marino, through which the Central Bank provides the same with information that is useful, although not exhaustive, for the creditworthiness assessment of the aforesaid customers and, in general, for analysing and managing the credit risk.

This is aimed to contribute to an improvement in the quality of the uses by the participating intermediaries, and ultimately to increase the stability of the credit system.

The participating intermediaries notify the Central Bank of information about their customers and receive, with the same frequency with which it is collected, information on the debt position towards the credit system of the reported named parties and the parties linked to these. Moreover, they receive aggregate information related to customer categories.

The debt position includes any credit exposures communicated by the equivalent foreign CCRs with which data exchange is provided for – pursuant to – art. 50 of LISF.

Participating intermediaries can consult the CENTRAL CREDIT REGISTER to ask for information on the parties that they do not report on, on condition that the requests are submitted for purposes connected with the assumption and management of the credit risk.

Furthermore, pursuant to art. 36 paragraph 6 letter b) of LISF, the participating intermediaries may also use the information acquired by the Central Credit Register for trial defence purposes, provided that the judgement concerns the credit relationship held with the customers.

The information of the CENTRAL CREDIT REGISTER is not of a “certifying” nature. It defines a debt situation of the parties in relation to the credit system that may not coincide with their actual position. Indeed, the exclusion of the participation of some types of

intermediaries is envisaged, and minimum data entry thresholds are set, below which the participating intermediaries must not provide reports.

1.4. Confidential nature of data

The personal data of the CENTRAL CREDIT REGISTER shall be confidential. Participating intermediaries shall observe the confidentiality obligation towards any person external to risk management.

For this purpose, participating intermediaries adopt formalised procedures, subjected to the approval of the Board of Directors, after obtaining the opinion of the Board of Statutory Auditors, which must indicate:

- a) the organisational units responsible for charging, maintaining, extracting, re-elaborating and controlling the data used to feed the flows exchanged with the CENTRAL CREDIT REGISTER.
- b) the information flows exchanged between the above units;
- c) the control procedures adopted to ensure the logical and physical segregation of the data.

The internal rules are accompanied by an annex, which is constantly updated, with the indication of the persons in charge of the organisational units involved and their respective roles, specifying in this context the person responsible for the coordination of the activities connected to the risk centralisation service.

In relation to the first reporting of amounts, referring to 31 March 2016, the quoted internal regulations shall be approved within 30 days from the date of entry into force of this Circular.

The adequacy of internal procedures adopted by the intermediary for the purposes of compliance with the obligations of confidentiality is subject to periodic review by the Internal Audit function.

Data transfer among intermediaries that are part of a banking group, even a transnational one, is allowed, provided that such data are used exclusively for the purposes connected with the assumption and management of the credit risk.

In accordance with the provisions of art. 50 of LISF, data acquisition by the Central Bank and the possible transmission to equivalent foreign credit risk data centralisation services with which there are existing agreements for the exchange of data, takes place by way of derogation from the provisions laid down by law no. 70 of 23 May 1995.

The Central Bank processes the data of the CENTRAL CREDIT REGISTER in accordance with the provisions of the law, which grant the power to collect the data. Given the purpose of the processing of the CCR data, the parties concerned are allowed to be made aware of the information recorded in their name as well as obtain its updating, adjustment or integration by contacting directly the reporting intermediaries in the event of incorrect information found in the CCR.

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 consumer whose credit application has been refused on the basis of the information available from the CENTRAL CREDIT REGISTER.

The Central Bank, at the request of the party concerned, provides the detailed breakdown of the risk reports produced by individual intermediaries on the last 24 available accounting dates.

1.5. Participating intermediaries

Participation in the risk centralisation service pursuant to art. 50, paragraph 2, letter a) of LISF, is mandatory for the following intermediaries:

- a) banks enrolled in the Register of Authorised entities referred to in art. 11 of LISF;
- b) financial companies enrolled in the Register of Authorised entities referred to in art. 11 of LISF, authorised, as a business, to carry out the activities referred to under letter B of Annex 1 to LISF;
- c) resident branches of the above listed non-resident banking and financial undertakings established in the jurisdiction of the Republic of San Marino;
- d) mutual investment funds authorised by CBSM, for which more than 50 per cent of the assets is invested in credits or assets resulting from the termination of funding contracts.

The Guarantee Fund for Depositors and the Central Bank also participate in the CCR, limited to the funding granted in accordance with the applicable provisions.

The financial companies for which consumer credit activities represent more than 50% of the financing activities are exempted from the obligation to participate in the service. Likewise, mutual investment funds for which the amount of consumer credits affects over 50% of the assets are exempted. Financial companies that become transferees of consumer credits may ask to be exempted from the obligation to participate in the service if the credits acquired exceed the threshold of 50 per cent of the financing activities carried out by the same. To this end, they must submit an application for exemption with the Central Bank.

Newly-established financial companies must verify the existence of the requirements for participation in the centralised risk service based on the objectives outlined in the business plan annexed to the authorisation application.

The discontinuation of the participation requirements or exemption requirements must be promptly notified to the Central Bank, which reserves the right to verify whether or not the conditions for subjecting parties to the reporting obligations provided for by this Circular are met. In relation to the first reference accounting date (31.3.2016), the justified requests for exemption must be forwarded by 31.1.2016.

The reports of the Mutual investment funds can be forwarded by the management companies or the depositary bank.

The reports of companies that are part of the same group may be forwarded by the parent company, which will act as corresponding entity, irrespective of its registration or non-registration in the Register of Parent Companies.

The participating intermediaries, enrolled in the Register of Authorised Entities and undergoing extraordinary administration proceedings, are required to send reports throughout the duration of the disciplinary measure.

The participating intermediaries under (voluntary or administrative compulsory) liquidation after the date of entry into force of this Circular are required to deliver the reports up to the reference date subsequent to the full divestiture of the funding contracts.

The participating intermediaries report to the Central Credit Register also the risk positions of relevance of their foreign branches, limitedly to those assumed towards resident parties.

1.6. Liability of reporting intermediaries

The correct operation of the CENTRAL CREDIT REGISTER requires the timely observance of the rules that regulate the service and compliance with the reporting terms, in consideration of the consequences, also of a legal nature, that may arise from an erroneous registration of data.

Particular attention must be paid to reporting customer personal information, especially that concerning non-resident customers; pursuant to art. 50, paragraph 8 of LISF, the precise and accurate communication of database attributes allows for the correct identification of the reported parties in the CENTRAL CREDIT REGISTER archives, and avoids inaccuracies in the allocation of risks.

The intermediaries are obliged to check the risk reports communicated to CBSM and amend on their initiative the incorrect or incomplete reports referred to the current entry and to previous entries.

The intermediaries must comply without delay with the orders of the Judicial Authority concerning the reports sent to the CENTRAL CREDIT REGISTER (e.g. order for the cancellation of a bad loan).

If the order is imparted to the Central Bank, the latter requests promptly by fax that the intermediary who made the report - without undue delay and in any event within three working days of the request - amend and possibly reclassify the position being investigated. In the case of non-action by the intermediary, the Central Bank shall take action on its own initiative within the day following the expiry day of said period, and start the procedure for the imposition of sanctions against the reporting entity, as provided for by art. 31 of Law no. 96 of 29 June 2005.

The intermediaries are also required to check all the communications that they receive from the CCR and, specifically, those containing the personal data of parties to be recorded in the database. In the context of this latter activity, the reporting intermediary is responsible for assessing, on the basis of the answers provided by the information system of the CENTRAL CREDIT REGISTER, whether the name whose personal data it reported, is or is not found in the CCR archives.

In particular, the intermediary, when it reports on a customer for the first time and receives from the CCR the personal data of one or more parties recorded in the database that are similar to the name to be encoded, is required to check with particular care and with particular attention for any homonymous entries, based on the documentation which is in its possession, if its customer can be identified among the parties submitted to it.

Control activities must not be confined to the coding phase, but are also extended to other communications and to the periodical return flows, which show the personal information and risk of individual customers; in the absence of adjustments by the reporting entities, the data recorded in the archives of the Central Credit Register are considered as implicitly confirmed.

Moreover, if the intermediaries avail themselves of external processing centres for the exchange of information with the CENTRAL CREDIT REGISTER, the responsibility for the information provided, the fulfilment of the obligations and terms provided for their transmission and, in general, the proper conduct of the service remains under their responsibility.

The intermediaries participating in the service are required to send a specific communication to CBSM, using the appropriate form available from the Central Bank's website, signed by the Chairpersons of the Board of Directors and of the Board of Statutory Auditors as well as by the Head of the Executive Structure and certifying that the risk reports transmitted to the Central Bank are derived from processing procedures approved by the corporate bodies and comply with corporate accounting data. In the case of the completion of the office of one of the above-mentioned members, such communication must be renewed within 30 days from the date of appointment of the successor.

1.7. On-site inspections

Inspections on the authorised entities concerning the centralised risk service are conducted normally in conjunction with general supervisory inspections, and are aimed at verifying the reliability of the information system, the effectiveness of internal audits and the reliability of the reports.

In this context, checks may also be conducted to verify that the queries of the Central Credit Register with reference to parties not reported by the participating intermediaries have been submitted for purposes connected with the assumption and management of the credit risk.

1.8. Sanctions

The breach on the part of authorised entities of the obligations laid down in this Circular, such as the omission of or delay in communicating data to the Supervisory Authority, as well as any possible adjustments, constitutes, according to Decree no. 76 of 30 May 2006 as subsequently amended and supplemented, a case punishable by means of an administrative sanction.

2. ORGANISATION AND OPERATION OF THE SERVICE

2.1. Initial obligations

At the time of enrolment in the Register of Authorised Entities, banks and other financial undertakings are requested by the Central Bank to submit the technical procedures that the new intermediaries intend to adopt for the transmission of reports (i.e. own transmission or transmission through external computing centres for the exchange of information), the list of names to whom access keys were delivered, as well as the letter certifying the conformity of the risk reports with the corporate accounting data (see paragraph 1.6 last paragraph).

The intermediaries participating in the risk centralisation service shall be entered in the electronic registers of Central Credit Register with the data requested by the participation form made available on the CBSM internet website.

The participating intermediaries are required to promptly communicate the variations that take place in their own identifying elements, as well as any merger or incorporation operations affecting them.

2.2. Corresponding entities

The intermediaries may avail themselves, for the exchange of information with the Central Credit Register, of an external data processing centre or of another intermediary, belonging to the same group, which is already participating in the CENTRAL CREDIT REGISTER. In this case, they are required to notify the Central Credit Register of the identification elements of the electronic centre that they intend to use and any changes that may occur over time. The Central Bank attributes an identification code, as corresponding entity, to the external centre.

2.3. Coding of the parties recorded in the database

The parties who are holders of risk positions are entered by the Central Credit Register in a data registry and identified uniquely by a recorded code that is used for the exchange of information pertaining to them.

The recorded code is also assigned by the Central Credit Register to jointly liable parties, to parties for whom a request for first information is submitted, as well as for reporting requirements of any another kind.

2.4. Monthly reporting on risks

Each participating intermediary is required to communicate monthly (periodic reporting) the risk position of each existing customer on the last day of the reference month, within the data entry limit.

The reports must reach the Central Credit Register within and no later than the 25th day of the month following the reference month (even if it coincides with a non-working day) and must be sent even if the amounts have not changed as compared to the previous report.

The need for complete reporting motivates the impossibility to grant any extension to the expiry dates provided. Any difficulties, determined by the occurrence of exceptional circumstances, shall be promptly submitted to the Central Bank.

If the reports were not to be submitted in time for the monthly reporting, for the purposes of updating the archives of the Central Credit Register and the information flows intended for intermediaries, data from the previous month (so-called “data brought forward”) shall be used; however, the above information shall nonetheless be communicated in a timely manner as soon as it becomes available from the intermediary.

All other information functional to the reporting of risks is acquired and processed by the Central Credit Register in a timely and continuous manner, to keep the archives always up to date. Therefore, they must be communicated in a timely manner as soon as they become available from the intermediary.

If, during the observation interval, the overall position of the customer falls below the data entry limit or is terminated, this must not be included the monthly reporting; reports relating to previous periods are not deleted.

If the term for the submission of reports has not yet expired, the intermediary may cancel a report already sent (which is partially or wholly incorrect) and transmit the new flow referring to the same reporting date; otherwise, corrections will be made in relation to individual parties.

Any errors detected during the formal control by CBSM's CCR entail discarding the processed flow in full. The outcome of the processing of the report on amounts is notified to the reporting intermediary by means of an application /user interface or through a physical return flow containing the findings.

In order to allow for an efficient management of checks on the data transmitted by the participating intermediaries, the first three periodical reports will have a quarterly frequency and will be referred to 31 March, 30 June and 30 September 2016, without prejudice to the time limit for submission on the 25th day of the following month. The monthly reports shall be effective as from the date referred to 31 October 2016 (to be submitted by 25 November 2016).

2.5. Recording of the customer status.

The participating intermediaries shall notify the CCR of the qualitative information on the debt situation of the customers at the time when a change of *status* occurs, or if the position becomes non-performing.

The intermediaries are obliged to report such information within three business days following the day on which the competent decision-making bodies have established the

non-performing status of the customer.

The information on the *status* updates that collected through monthly reporting; therefore, it is communicated to intermediaries who submit a first information request and to 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.

2.6. Joint obligation forms and other links among parties recorded in the database

In order to allow the intermediaries to make a more complete assessment of the creditworthiness of customers, some forms of joint obligation are also reported, namely relationships of a legal type among parties jointly and severally liable for the fulfilment of the obligations assumed towards the intermediaries.

The reporting of joint obligation forms other than joint accounts takes place by means of recording in the database the members of unlimited partnerships, ordinary partnerships, de facto companies, general partners, limited partnerships and companies with unlimited responsibilities as well as the associates of professional associations and the members of irregular companies and other enterprise forms (for example, communities of heirs) equivalent to partnerships.

The development of the shareholders' base is required of intermediaries when this receives the report of a company belonging to one of the categories mentioned above, and which is not already recorded in the CCR database. The request can also derive from a change in the legal form concerning the transformation of a corporation into a partnership. The intermediaries who report on companies whose development is not registered in the database are nevertheless required to communicate such circumstance to the Central Credit Register.

The intermediary shall communicate the entire shareholders' base by transmitting the specific message that must indicate, inter alia, the recorded codes of the company and of all the parties with membership status; where such codes are not available, they must be previously acquired by activating the procedure for the request of a recorded code. These links are updated by resubmitting the message concerning the shareholders' base, except for any database record adjustments that may take place in the meantime.

This reporting makes it possible to connect the risk positions that belong to each joint obligation with those of exclusive relevance of the parties who are part of them. The information concerning joint obligations is provided to the intermediaries participating in the customised return flow and in the response to requests for information.

The Central Credit Register also lists the links occurring between:

- the party issuing the guarantee to the intermediary and the party, entrusted by the intermediary, whose debt is supported by such guarantees;
- the transferred debtor and the transferring party within the context of factoring transactions, discounting transactions without recourse and credit transfer transactions;
- the transferring intermediary and the transferee party in the context of the credit transfer transactions by intermediaries reporting to third parties.

2.7. Adjustments of amounts

Intermediaries are required to immediately send adjustments relating to the reports transmitted if errors have been reported.

The adjustment of the amounts takes place by entering the following data:

- CCR code of the reported party that is being adjusted;
- Type of adjustment (insertion, amendment, removal);
- Reporting period;
- Risk position of the reported party (if it is not a cancellation).

The CCR acquires the corrections and communicates to all intermediaries that had received the wrong information.

On its own initiative, the Central Bank cannot modify the reports received; consequently, only participating intermediaries may correct the reported data, as they are the holders of the relationships with the customers and possess the relevant documentation.

2.8. Customised return flow

On completion of the processing of the data transmitted on a monthly basis by the various intermediaries, the Central Credit Register shall send to each intermediary a customised return flow showing the database details and the total debt towards the banking system of individual customers and the parties with whom they share joint obligations, as reported by the intermediary.

The name of the participating intermediary who has reported a given party is not indicated; by contrast, the number of intermediaries who have reported the party, the aggregate amount and the type of risk are notified.

The return flow is transmitted to the intermediaries within an interval predetermined in relation to the limit of communication of the periodical reporting.

Where the reported party is a joint account holder, the return flow also provides the global risk position of any other joint accounts that individual joint account holders may have. In cases where the party is reported as a guarantor in the data entry category 'guarantees received', or as a transferor (linked person) in the data entry category 'credits acquired from customers other than intermediaries - transferred debtors', the return flow also supplies the personal data and the global risk position, respectively, of the guaranteed parties and transferred parties.

The global risk position is determined for each party by adding the reports forwarded in the latter's name by the intermediaries. The aggregation is performed separately for each of the data entry categories, for every type of amount and for each classification variable envisaged by the reporting form, with the following exceptions:

- the ‘unlikely to pay’ qualification attributed to the customer by the reporting intermediary, which is recorded in the classification variable ‘relationship status’, is not returned;
- the information concerning credit deterioration, which is recorded in the classification variable ‘credit quality’, is not returned;
- no communication is made of the identity of the transferee party in credit transfer transactions by reporting intermediaries, entered in the variable referring to a linked person of the data entry category ‘credits transferred to third parties’;
- for the classification variable ‘location’, no indication is provided of the State where the branch selected as representative for the customer operates; a distinction is only made between the San Marino network and the foreign network.

For each name reported, the return flow contains further information deemed useful for the evaluation and control of customer risk, concerning, *inter alia*, the amount of the overdraft positions and of the available margins calculated for each data entry category and classification variable, the number of reporting intermediaries and in particular those that report on the non-performing party, the number of first information requests received in the last six months and made because of the initiation of an investigation preliminary to the creation of a credit relationship. With reference to parties recorded in the database, finally any data brought forward from the previous period is highlighted.

Moreover, as well as the global risk position towards all the intermediaries, the global risk position towards the banking group to which the reporting intermediary belongs is highlighted for each reported party.

The CBSM CCR customised return flow comprises, in a single flow, the data of national intermediaries and the data transmitted from the foreign CCRs with which CCR data exchange is envisaged, with the valorisation of a specific field on each individual debtor, which identifies the source of data.

2.9. Statistical return flow

On a monthly basis, the Central Bank sends to each participating intermediary a return flow containing statistical distributions drawn up according to the risk reports transmitted by the intermediaries. Distributions are articulated by individual data entry categories and classification variables, by aggregations of the categories and variables, by business sector, registered office of the customers recorded in the database, characteristics of reporting entities, and credit line size classes.

In addition, the Central Bank transmits to each intermediary, on a quarterly basis, aggregated data relating to its reported customers, which are useful for the calculation of the deterioration rates of cash loans. The data are broken down by business sector, province of registered office and credit line size class.

2.10. Information upon request: conditions of access

The intermediaries have the right to request information on the parties that they do not report on, on condition that the requests are submitted for purposes connected with the assumption and management of the credit risk.

In view of the confidential nature of the information recorded by the Central Credit Register, the information can be requested only in cases in which it contributes to provide useful elements for the purpose of assessing the creditworthiness of actual or potential customers.

In particular, the requests can be submitted:

- on non-borrowing parties but who are potential customers, if there is an ongoing investigation process for the granting of a loan;
- on borrowing parties who cannot be reported on as the credit line is lower than the data entry limits or for other reasons (for example, credit relationship between a non-resident party and a foreign branch of the intermediary).

Access to information relating to names with a legal line (e.g. jointly liable parties, linked persons recorded in the database, spouses in community of property, membership of parties to groups of enterprises, etc.) with the parties indicated above, provided that the information that one intends to request is objectively instrumental in relation to a thorough evaluation of the latter parties.

The intermediaries, who are responsible for the assessment of the existence of the conditions for access to the information, when submitting the requests, must indicate the reason and are required to keep a copy of the documentation attesting to the legitimacy of the requests made. The Central Bank reserves the right to ask for the submission of a copy of such documentation.

Requests that are not consistent with the criteria set out above must be regarded as being in conflict with the obligation of confidentiality supporting Central Credit Register data. Any abuse is subject to sanctions pursuant to Decree no. 76 of 30 May 2006 as subsequently amended and supplemented.

To access relevant information, the intermediaries can submit, at any time as needed, a request for information concerning an individual name with reference to one or more reports (so-called first information service).

2.10.1. First information service

The intermediaries, through the first information service (paid service), can access risk information relating to the last twenty-four reports.

The first information service can be first-level or second-level, and differs in terms of the degree of detail of the information provided.

For further information, please refer to Chapter 9. “Management of personal details”, relevant paragraph.

2.11. Media that can be used for the exchange of information

The exchange of information between the Central Credit Register and participating intermediaries, in relation to the characteristics of the flow, takes place through the application family File Transfer of the Sammarinese Interbank Network - (RIS) or by means of the specific 'upload' function of files of the web interface of the CCR CBSM information system, made available on the RIS.

The intermediaries who find it difficult to use the RIS must promptly inform the CCR in relation to the nature and duration of the difficulties experienced.

Queries of a general nature relating to the legislation on the CCR or the technical procedures for data transmission may be made by contacting the email address cr.quesiti@bcsml.sm. Any other different type of communication with the Central Credit Register must be carried out via ordinary correspondence, addressed to the Supervision Department – Central Credit Register Office of the Central Bank.

2.12. Procedures for the protection of the information exchanged

The Central Credit Register shall adopt all the necessary measures to ensure the confidentiality of the information processed. Data are stored on electronic media and are only accessible through the use of appropriate procedures.

The confidentiality of the information exchanged between the CCR and the intermediaries is ensured by the RIS security standards.

Participating intermediaries must adopt an archiving and consultation system for the information exchanged with the Central Credit Register such as to ensure that the dissemination of information to their branches and to the corporate bodies that have an interest therein takes place in compliance with the prescribed confidentiality requirements.

2.13. Terms for documentation retention

Intermediaries are required to retain all the documentation on the information exchanged with the Central Credit Register in the terms and in the manner provided for by the provisions on banking secrecy referred to in art. 36 of LISF.

The Central Bank retains the information recorded in the Central Credit Register archives for the time necessary for the purposes for which the information is collected and subsequently processed.

2.14. Distribution of the rules governing the service

These provisions are supplemented by the technical manual containing instructions for the exchange of information, which is available in the reserved area of the Central Bank's internet website.

2.15. Criteria for the quantification and distribution of costs for the Central Credit Register

The intermediaries participating in the CCR are required to contribute to the reimbursement of the costs incurred by the Central Bank for the institution, annual maintenance and management of the risk centralisation service, in accordance with the criteria and procedures listed below.

During the first phase, known as “start up”, the contribution by the participating intermediaries to all costs incurred by CBSM for the CCR (both direct and indirect), is made through:

- a fixed amount to be charged to each participating intermediary (excluding the CBSM participating party), which takes into account the different sizes and capital capabilities of the various types of parties;
- a variable amount, to be paid by each participating intermediary (excluding the CBSM participating party), calculated based on the number of the relevant reported parties of each participant, on the first reference date after the date of completion of the project.

The one-off fixed amount charged to each participant is given in the following table:

<i>Participating intermediary</i>	<i>Fixed amount</i>
Banks enrolled in the Register of Authorised Entities and resident branches of non-resident banking undertakings	€ 7,500.00
Financial companies enrolled in the Register of Authorised Entities and resident branches of non-resident financial undertakings	€ 1,000.00
Mutual investment funds	€ 1,000.00

The participating intermediaries who, even if they are not operational, are, on 31 December 2015, authorised and enrolled in the Register of Authorised Entities, and who on the same date have not submitted a formal voluntary liquidation application or relinquished loan granting activities, are nonetheless required to pay the fixed amount indicated above.

The fixed and variable amounts payable by each participating intermediary, which contribute to the determination of the aggregate individual amount of refund of costs payable by the CCR during the “start up” phase, will be notified by the Central Bank, together with the procedures and payment dates, within 90 days from the termination of the aforementioned “start up” phase, which is also subject to a specific notice transmitted by the Central Bank to each participating intermediary.

As from this latter notice, the so called “maintenance” phase commences, in which each participating intermediary, except for CBSM, is required to contribute to all costs incurred by CBSM for the CCR (both direct and indirect, to be regarded, in any case, as including any development costs or other related costs, also of non-recurring nature, after the

start-up phase) through the annual payment of the variable amount only, calculated based on the average number of persons entered in the database and linked to each participating intermediary. The average number is calculated based on the reference dates of the relevant reports of the same calendar year.

The contribution share borne by each participating party, will be notified by the Central Bank by 31 March of the year following the reference year, together with the procedures and times for payment.

The Central Bank charges the costs incurred for responding to the requests submitted by the participating intermediaries. For the calculation of the rates, the level of detail and historical depth of the information provided, are also taken into account. Any changes to the aforementioned rates applied by the Central Bank shall be notified to the intermediaries effective from the calendar quarter following that of the notice.

3. GENERAL PRINCIPLES GOVERNING RISK CLASSIFICATION

3.1. Nature of the risks reported

The Central Credit Register reports on information of an individual nature concerning the credit and guarantee relationships that the credit system maintains with its customers.

In particular, cash and credit commitment line relationships are subject to reporting, as well as collaterals and personal guarantees issued to intermediaries in favour of parties borrowing from the same and other information that provides useful elements for the management of credit risk¹.

Exposures pertaining to financial derivatives traded OTC are not subject to reporting.

The obligation to report the above information to the Central Bank applies independently of the characteristics of the borrowing party; there is an exception for the foreign branches of San Marino intermediaries, which report only on existing relationships in respect of resident customers.

At the time of each report, the situation of the individual party must be reported as it appears on the last day of the reference month, since the CCR does not record any group information in the database.

3.2. Reporting intermediary

The entity required to report to the Central Credit Register is the intermediary holder of the credit, even in the case in which the latter avails itself, in the management of the credit relationship, of another intermediary as an authorised representative.

In the case of funding granted through funds received by other intermediaries, who do not remain liable towards the customers, reporting must be carried out by the intermediary who establishes the credit relationships in its own name and on its own behalf.

3.3. Registration of risk positions

The intermediary shall register the risk positions in the name of the customer towards whom the former is liable on the reference date of the report. Only one report for each customer, incorporating all existing risk positions, must be produced.

Report recipients may be:

- natural persons;

¹ The prescribed credits are not subject to reporting; their reporting is no longer required starting from the report concerning the month in which the prescription is obtained. The simple out-of-court formal notice of the debtor aimed to object the prescription does not necessarily entail the cessation of reporting, if the intermediary does not agree.

- legal persons;
- bodies that, although lacking legal status, are endowed with decisional and accounting autonomy. This category includes voluntary associations and, separately, the peripheral sections of the latter;
- joint accounts, considered as the set of more parties as joint owners of one or more credit facilities; risk positions belonging to joint accounts are different from those of the parties who participate in them;
- partnerships (see paragraph 2.6);
- mutual investment funds.

For reporting purposes, the following particular cases must be considered:

- credit facilities granted to a name recorded in the database with the possibility of use by a third party; if the latter does not assume any liability in respect of the intermediary, the risk position must be integrally reported on behalf of the party who is the owner of the credit relationship;
- credit facilities granted to a name upon order by or by assignment of a third party. In the case of financing granted to the beneficiary and guaranteed by the ordering party, the credit facility report must be carried out on behalf of the former and the commitment of the ordering party must be entered among the guarantees received. If by contrast the beneficiary does not assume any direct responsibility towards the intermediary, the latter must report the credit facility on behalf of the ordering party;
- credit facilities granted to a person who is deceased; the risk position must be reported on behalf of the replacing party or the joint account constituted by those who assume the debt position of the deceased party. If the inheritance has not been accepted, or if it has been accepted with benefit of inventory, the risk position must be kept in the name of the deceased party. If the heir is a minor, the risk position must be in the name of the former and not in that of his/her legal representative;
- credit facilities granted to a family business; risks must be attributed to the owner of the business.

The following credit facilities must merge into a single report:

- credits granted to one or more sole proprietorships belonging to the same owner and to the owner as a natural person;
- credits granted to the original debtor and to insolvency proceeding bodies;
- credits granted to legal persons with a registered office in San Marino and their peripheral sections, bodies, branches, territorial divisions, wherever these may be located; this principle also applies to credit facilities granted to San Marino banks and their foreign branches;
- credits granted to legal persons with a registered office abroad and to their peripheral sections, bodies, branches, and foreign territorial divisions.

Vice versa, credit facilities granted to legal persons with a registered office abroad and those granted to their secondary offices in San Marino must be reported separately.

3.4. Procedures for representation of risks

The individual risk positions are communicated to the Central Credit Register on

the basis of a reporting form divided into four sections:

1. Cash loans;
2. Credit commitments;
3. Guarantees received (collateral and personal guarantees issued to intermediaries in favour of parties borrowing from the same);
4. Information section.

Within the scope of the respective sections, cash loans and credit commitments must be traced back to the relevant **data entry categories**.

In particular, cash loans are divided into five data entry categories:

1. Self-liquidating risks;
2. Risks to maturity;
3. Risks until revoked;
4. Loans for insolvency proceedings and other special loans;
5. Bad loans.

Credit commitments are in turn divided into two data entry categories depending on whether they are connected with:

1. Commercial transactions;
2. Financial transactions.

The information section is divided into four data entry categories:

1. Credits acquired from customers other than intermediaries - transferred debtors;
2. Self-liquidating risks – past due loans;
3. Bad loans – credits recognised as losses;
4. Credits transferred to third parties.

Risk positions are further classified according to a series of qualifiers - **classification variables** - which aim to provide a more complete description of the characteristics and the risk level of existing transactions:

1. Location;
2. Original duration;
3. Residual duration;
4. Currency;
5. Import/export;
6. Type of transaction;
7. Linked person;
8. Relationship status;
9. Type of guarantee;
10. Related phenomenon;
11. Credit quality.

The **data classes** incorporate reports of the individual transactions whose data are recorded in the database.

The reporting model envisages seven data classes that explain the measure reported:

1. Granted amount;
2. Operational granted amount;
3. Drawn amount;
4. Average balance;
5. Value of the guarantee;
6. Guaranteed amount;
7. Other amounts.

The amounts to be reported in the data classes are expressed in Euro units. The amounts denominated in a foreign currency shall be converted into Euro according to the spot exchange rate on the reference date of the report.

3.5. Data entry limits

Intermediaries are required to report the entire exposure towards the individual customer if, on the date to which the report refers, there is at least one of the following conditions:

- the sum of the granted amount or that of the drawn amount of the total cash loans and credit commitments is of an amount equal to or greater than €10,000;
- the value of the overall guarantees received by the intermediary is of an amount equal to or greater than €10,000;
- the customer's position is non-performing²;
- the face value of the credits acquired for factoring transactions, portfolio discount without recourse and credit transfer is equal to or greater than €10,000;
- bad loans of any amount have been recognised as losses;
- the face value of non-bad loans transferred to third parties by the reporting intermediary is equal to or greater than €10,000;
- bad loans of any amount have been transferred to third parties by the reporting intermediary.

For the purposes of calculating the data entry limits, the intermediaries - with reference to the same customer - must accumulate the risks that belong to all the San Marino and foreign branches.

3.6. Multiple credit facilities

The credit facility granted to a number of parties who are not jointly liable for its uses is defined as 'multiple'.

For the report of the granted amount and of the operational granted amount pertaining to each customer, reference must be made to the breakdown of the credit facility provided for in the granting resolution. Where the uses of a party exceed, in so far as the

² Also for the purposes of the exchange with foreign CCRs, bad loans must be reported where their positions are of an amount, net of the losses, equal to or greater than 250 Euro.

contract permits, the amount originally allocated to such party, the granted amount of the other parties is consequently decreased.

If only the overall credit line is established, with no provision for its allocation to individual parties, the reports must be provided by adapting the granted amount and the operational granted amount to the drawn amount of each party. Any available margin or overdraft position must be in the name of the party considered as predominant by the reporting intermediary. If it is not possible to identify a predominant party, the available margin or the overdraft position must be allocated to the parties concerned in proportion to the credit facility used.

Likewise, the guaranteed amount shall be distributed among different parties in such a way as to reveal any insufficient collaterals in the relevant report of the predominant party, if the latter can be identified. If it is not possible to identify a predominant party, the insufficient amount must be distributed among the various beneficiaries by reason of the extent of use of each of them.

3.7. Mixed credit facilities

Credit facilities that may be used according to different technical forms are defined as ‘mixed’.

For the purpose of reporting the granted amount and the operational granted amount, it is necessary to refer firstly to the instructions contained in the resolution granting the credit facility, which may specify the amount or the maximum credit facility limit granted in relation to each technical form. In the absence of such instructions, the granted amount and the operational granted amount must be distributed according to the drawn amount of the different relationships to which the credit line relates.

If the credit facility is partially used, or if it has not been used at all, the available margin must feature in the data entry category that presents the greater degree of risk. Even in cases where the credit facility is used to an extent greater than the operational granted amount, the overdraft position must be in the riskier category.

For the purposes of the allocation of the granted amount to the various data entry categories, please note that normally:

- credit commitments are considered less risky than cash loans;
- cash loans follow the increasing risk-level order of the data entry categories provided for by the risk reporting form.

Similarly, in cases in which the mixed status concerns the classification variables, for the purposes of highlighting any available margin or overdraft position, the report of the granted amount must be made on the basis of the instructions contained in the resolution granting the credit facility or, in the absence thereof, of the risk assessment carried out by the intermediary.

Similar solutions must be implemented to disclose any insufficient collaterals supporting mixed credit facilities. In particular, the equivalent value of the guaranteed amount should be allocated - even in the event that the guarantee supports credit

commitments - in such a way as to show the insufficiency in the data entry category characterised by the greater risk. Independently from the distribution of the guaranteed amount for all the reports covered by the mixed credit facility, the type of guarantee must nonetheless be specified.

4. RISK DATA ENTRY CATEGORIES

4.1. Cash loans

Cash loans are represented on levels of intensity with increasing risk.

4.1.1. Self-liquidating risks

The data entry category “*self-liquidating risks*” incorporates the transactions characterised by a predetermined source of repayment. These are loans granted to allow the customers to have the immediate availability of pending credits not yet past due and payable from a third party and for which the reporting intermediary has control over the cash flows³.

Consequently, the relationship involves, as well as the intermediary and the customer, also a third party that is a debtor of the latter.

In particular, the following transactions must be reported:

- advance for factoring transactions⁴;
- advance subject to collection;
- advance on invoices;
- other advances on notes and documents representing commercial receivables;
- portfolio discount of receivables and indirect financial portfolio discount;
- advance for export;
- loan against credit transfers;
- salary-backed loans;
- definitive credit purchase transactions.

This category must also conventionally include reports of the pre-financing of mortgage loans, even when these are granted by the same intermediary who decided about the mortgage transaction.

4.1.2. Risks to maturity

The data entry category *risks to maturity* includes financing transactions with a contractually set maturity and without a pre-determined source of reimbursement.

In the context of the category, the following transactions must be reported, inter alia:

- outstanding advances;
- advances on future receivables related to factoring transactions;
- opening of credit facilities on a current account, from which the intermediary may withdraw before contractual maturity only for a just cause;

³ This form of control is achieved when the intermediary becomes the credit transferee, has an irrevocable mandate to collect, or the credits are held for payment at its branches.

⁴ With the exception of advances for factoring transactions on future receivables.

- leasing;
- mortgage loans;
- loans for funds managed by third parties involving the assumption of a risk for the intermediary;
- direct financial portfolio discount;
- personal loans;
- subordinated loans, only if concluded as a funding contract;
- repurchase agreements and repos;
- other active subsidies.

4.1.3. Risks until revoked

The data entry category *risks until revoked* includes the opening of credit facilities granted for overdrafts - with or without a fixed maturity - for which the intermediary has reserved the right to withdraw regardless of the existence of a just cause.

Past due and unpaid loans derived from transactions related to the data entry category *self-liquidating risks* (so-called outstanding payments) are conveyed in the data entry category *risks until revoked*.

The data entry category does not include current accounts for services held with banks or companies entrusted with the centralised management of services ancillary to the banking activity, which do not require database recording by the Central Credit Register.

Furthermore, transactions that, despite being settled on a current account, possess the requirements of self-liquidating risks must not be classified among the risks until revoked.

4.1.4. Insolvency proceedings funding

Credits being pre-deducted granted to insolvency proceeding bodies must be recorded in the data entry category *loans for insolvency proceedings and other special loans*. This evidence allows us to distinguish these credit lines from the existing ones prior to the establishment of the proceeding, as these credit lines must be included among the bad loans.

4.1.5. Bad loans

Entry as non-performing (see definition) implies an evaluation by the intermediary of the overall financial situation of the customer and cannot automatically lead to a mere delay of the latter in the payment of the debt. Objecting the loan is not in itself a sufficient condition for reporting it as non-performing.

Any restructuring of credit exposures made for the purpose of liquidation, to be conveyed among bad loans, are also included.

The amounts relating to bad loans must be reported only in the data class *drawn amount*.

Regardless of the accounting procedures adopted by the intermediaries, bad loans must be reported for an amount equal to the amounts issued initially, net of any reimbursement and gross of any devaluations and write-offs possibly carried out. This amount is comprised of principal, interest recognised and expenditure incurred for the recovery of debts. This criterion must also be followed by an intermediary who has become the transferee of bad loans.

The non-performing report of a joint account implies that all joint holders are to be considered insolvent.

Intermediaries must notify the customer and any jointly liable parties (guarantors, fully liable members) in writing of the first time that the customer is reported as non-performing. This information is forwarded also with reference to the first report, transmitted by the intermediary participating in the CCR, within the term for submission of the report.

This obligation does in no way involve a request for consent, from the party concerned, for the processing of his/her data⁵.

Reporting a risk position among bad loans is no longer required when:

- the state of insolvency or the situation comparable to it ceases to be;
- the loan is repaid by the debtor or by third parties, also as a result of a releasing settlement agreement or a composition. Partial repayments of the credit entail a corresponding reduction of the amount reported;
- the credit is transferred to third parties;
- the competent decision-making bodies, by a specific resolution, have acknowledged in a definitive manner the non-recoverability of the entire credit or decided not to start or continue any recovery action;
- the credit is entirely prescribed;
- a legal action for the termination of the credit has commenced.

The payment of the debt and/or termination of the state of insolvency or situation thereto comparable does not entail the cancellation of non-performing reports relating to past reports.

4.2. Credit commitments.

The *credit commitments* section comprises acceptances, payment commitments, documentary credits, sureties, bank guarantees and other guarantees issued by the intermediaries, with which they undertake to tackle possible breaches of the obligations undertaken by the customers in respect of third parties. The credit commitment report must be carried out on behalf of the customer for whom the guarantee is issued.

Credit commitments are divided into two data entry categories incorporating, separately, the guarantees supporting commercial transactions and those that are issued to cover financial transactions. If it is not possible to make this distinction, the credit must be attributed entirely to the type of transactions for whose coverage, according to the estimates

⁵ See Chapter 1, paragraph 1.4.

of the intermediary, the guarantee is chiefly intended.

In the data entry category *guarantees related to financial transactions*, the following must be reported separately, following valorisation of the classification variable *type of guarantee*:

- guarantees supporting loans granted to the customer by other reporting intermediaries;
- guarantees arising from credit transfer transactions “with recourse”.

The guarantees issued with the pre-establishment of funds by the guaranteed party and the commitments assumed by the intermediary through conventions or agreements - of which the guaranteed party is not formally aware - concluded directly with other entities, are not subject to reporting.

If the guarantee is enforced successfully, the credit that the intermediary has in respect of the guaranteed party must be indicated in the relevant category of ‘cash loans’; concurrently, reporting it among credit commitments is no longer required.

4.3. Guarantees received

The data entry category *guarantees received* includes collateral and personal guarantees issued to the intermediaries in order to strengthen the expectation for the fulfilment of the obligations assumed by the customers towards them.

In particular, reports must be made, following valorisation of the specific classification variable, of external collaterals, i.e. collaterals issued by parties other than the borrower (e.g. third party issuing a mortgage); “first instance” personal guarantees; “second instance” personal guarantees, whose effectiveness is conditional upon the establishment of the non-fulfilment of the main debtor and of any primary guarantors.

Inter alia, the following are conveyed in the data entry category:

- autonomous guarantee agreements;
- commitments undertaken by consortia or guarantee cooperatives towards the approved intermediaries against the funding granted by the latter to the consortium member companies⁶;
- guarantees supporting funding granted by a foreign branch of an intermediary to non-resident parties;
- relevant positions of the parties assumed, in cases where the mortgage loan assumption contract does not involve their simultaneous release;
- repurchase agreements entered in the context of finance lease transactions if they have bank guarantee content, i.e. they involve the assumption by the supplier of the leased asset, of the risk for non-fulfilment by the user, regardless of the fact that the leased asset is returned and regardless of its very existence;
- guarantees received from any “Guarantee funds” supporting the credit line;
- first-request counter-guarantees.

⁶ Guarantees issued cumulatively, within a specific limit, to the intermediaries by the consortium member companies, are excluded.

The following are not subject to reporting:

- guarantees that do not originate from the negotiating autonomy of the parties, such as for example, bank guarantees issued *by law* by the State;
- guarantees supporting transactions other than those included in the data entry area of the Central Credit Register;
- standing orders to sell;
- insurance contracts of the loan that, as they do not constitute a form of guarantee of the fulfilment of the main debtor, do not involve the assumption of an ancillary obligation other than that of the debtor;
- guarantees issued in favour of a partnership by members that are jointly and severally liable by law for the obligations of the partnership itself. If said members issue guarantees together with third parties, these guarantees must be reported on behalf of all the guarantors, including the members.

With regard to credit transfers, if the negotiating act involves the transfer of the ownership of the credit, they are excluded from the guarantees in so far as they constitute a form of payment and as such they have been recorded in the CCR also for the purpose of reporting on the transferred debtors, if this is done by customers other than intermediaries. Otherwise, their suitability to constitute a guarantee must be assessed on the basis of the contents of the contractual clauses governing the transaction.

Reporting shall be carried out on behalf of the party who issued the guarantee.

The obligation to report on the guarantee rises simultaneously from completion of the guaranteed transaction, unless a guarantee is acquired at a later date; in this case, reporting shall commence from the time of the effective acquisition of the guarantee.

In the event of non-fulfilment of the guaranteed party and non-payment of the guarantee supporting the funding, the report must remain in the data entry category *guarantees received* - indicating the *relationship status* “guarantee activated with negative outcome” - as long as there is a guaranteed relationship. If the guaranteed relationship is cancelled but the intermediary still has a loan towards the guarantor, this must be reported among the cash loans.

The guarantees received must no longer be reported when the obligation of the guarantor is cancelled; moreover, their reporting ceases upon termination of the guaranteed relationship.

In accordance with the general principles, guarantees received from a number of guarantors who are jointly liable in full, must be reported in the name of their joint account; this is the case even if the guarantee was issued with separate deeds of an identical content, for the same amount, and provided that the guarantors are aware of the identity of the other parties who share the same joint obligations. If these conditions are not satisfied, the guarantees must be reported on behalf of each guarantor for the amount that the same is committed to guarantee.

4.4. Information Section

4.4.1. Credits acquired from customers other than intermediaries – transferred debtors

The data entry category *credits acquired from customers other than intermediaries - transferred debtors* must report, on behalf of the transferred debtor, the amounts corresponding to the face value of the credits acquired from the reporting intermediary through factoring transactions, discounting transactions without recourse and credit transfer transactions without and with recourse.

The classification variables *type of transaction* and *relationship status* must be given specific values in order to specify the type of transaction (factoring, discount or transfer), whether the transfer is with or without recourse, and the circumstance indicating that these are past due loans. In the classification variable *linked person*, the CCR code of the transferring party must be specified.

4.4.2. Self-liquidating risks – past due loans

The data entry category *self-liquidating risks - past due loans* must include reports, on behalf of the transferring party, of the face value of the credits - acquired by the intermediary in the context of factoring transactions, credit transfer, portfolio discount of receivables and indirect financial portfolio discount, advance subject to collection, advance on invoices, notes and other commercial documents - past due during the month preceding that being reported on.

In particular, a distinction must be made, following valorisation of the classification variable *relationship status*, between the credits that are unpaid on the reporting date and those that were paid.

This report must be carried out only with reference to the non-bad loans transferred by non-financial companies and producer households that are residents and non-residents.

4.4.3. Bad loans - credits recognised as losses

The data entry category *bad loans - credits recognised as losses* must include reports of the bad loans that the intermediary, by means of a specific resolution, has considered irrecoverable or for which it has not considered it convenient to carry out relevant recovery actions. The category also incorporates fractions that have not been recovered of credits covered by settlement agreements with customers, in a pre-bankruptcy composition or condoning insolvency agreement, as well as prescribed credits and credits for which another legal action resulted in the cancellation of the credit.

The category must record, for the entire duration of the credit relationship, the stock of losses accumulated over time.

The reporting of these losses takes place for any of their amount, provided that in the recording month or during the previous month, the intermediary, if the conditions for this are met, has made a non-performing report on behalf of the same customer.

The report is no longer due as from the reporting following that in which the credit was entirely recognised as a loss or the party not recognised as subject to losses was reimbursed.

In the case of transfer transactions of bad loans made between intermediaries, the transferring intermediary must indicate the stock of losses on the transfer date; said amount must encompass any loss due to a transfer. The transferring intermediary must report among the credits recognised as losses an amount equal to the difference between the amount of the credit claimed from the customer and the purchase price. This amount shall include any further losses resolved on by the transferee.

4.4.4. Credits transferred to third parties

The data entry category *credits transferred to third parties* incorporates the credit transfer transactions by reporting intermediaries to other intermediaries or to other parties.

In particular, the transferring intermediary must report, on behalf of the transferred debtor, an amount equal to the debt of the latter, regardless of the transfer price. The reports are due exclusively for the month (quarter, up to 30 September 2016) in which the transfer took place, with the exception of first report referred to 31 March 2016.

If the transferee is also an intermediary participating in the centralised risk service, it must report the transferred debtor in the relevant data entry category of the original transaction, for an amount equal to the debt of the customer, both in the case of a transfer with recourse and one without recourse.

5. CLASSIFICATION VARIABLES IN THE DATA ENTRY CATEGORIES

5.1. Concept

Classification variables are qualifiers intended to connote in more detail the nature and characteristics of the transactions that converge into the data entry categories. They enrich the information content of the report, expanding, *inter alia*, the range of assessment elements of the global risk position of the parties recorded in the database.

5.2. Location

The classification variable *location* indicates the Republic of San Marino or the foreign State in which the branch elected as representative for the customer is located.

The appointment of the representative branch must be carried out at State level.

In particular, only one location must be indicated for all relationships held with the customer by various branches located in the Republic of San Marino or in the foreign State.

The valorisation of this variable must be made by indicating the ISO code of the State where such branch is located. If the customer has relationships with a number of branches located in different States, the related reporting must be carried out separately for each State.

The valorisation of this classification variable is envisaged for all the data entry categories except for that relating to *credits acquired from customers other than intermediaries – transferred debtors*.

Limited to the data entry category *self-liquidating risks - past due loans*, the classification variable *location* shall indicate the geographic area of residence of the transferred debtor⁷. It can have the following values: resident and non-resident.

5.3. Original duration

The classification variable *original duration* allows to distribute transactions on the basis of the duration fixed by the original credit line contract or re-calculated as a result of new agreements between the parties.

Its valorisation is required for the data entry category *risks to maturity*.

The classification variable can take on the values of *up to one year, from over one year to 5 years, over five years*.

In the period prior to completion of the funding contract, the variable must be given valorisation according to the indications that can be deduced from the resolution

⁷ If said geographic area is not known, the valorisation of the variable can be conventionally made by referring to the place where the credit is held for collection

granting the credit facility; subsequently, according to the contractual terms.

5.4. Residual duration

The classification variable *residual duration* indicates the amount of time elapsing between the recording date and the contractual term for the maturity of the loan.

Its valorisation is required for the data entry categories *self-liquidating risks* and *risks to maturity*.

It can take the values of *up to one year* and *over one year*. The values *up to one year* and *over one year* shall be determined with reference to the maturity of each loan, apart from the possible existence of depreciation plans.

5.5. Currency

The valorisation of the classification variable *currency* is required for all the data entry categories, except for *loans for insolvency proceedings and other special loans*, *bad loans*, *guarantees received*, *bad loans- credits recognised as losses* and *credits transferred to third parties*.

It can take on the values corresponding to transactions in *Euro* and in *other currencies*.

For transactions in currencies other than the Euro, the value corresponding to *other currencies* must be indicated even if there is no foreign exchange risk to be borne by the customer. Similarly, in the case of investment transactions concerning funding in a currency other than the Euro supported by public guarantee on foreign exchange risk, both if the guarantee covers the aforesaid risk in full and if it covers it only in part. For these transactions, the value *other risks to maturity with public guarantee on foreign exchange risk* must be activated in the classification variable *type of transaction*.

If the uses of the same credit line are to be regarded as part in Euro and part in other currencies because their funding is part in Euro and part in other currencies, the data classes *granted amount* and *operational granted amount* of the relevant data entry category must be given values according to the same allocation.

5.6. Import-export

The classification variable *import-export* indicates a transaction aimed at any export and import activities, concerning goods and services, carried out by the customer.

Its valorisation is required only for the data entry categories *self-liquidating risks*, *risks to maturity*, *risks until revoked* and *guarantees related to commercial transactions*.

5.7. Type of transaction

The classification variable *type of transaction* makes it possible to highlight some specific transactions.

In particular, it identifies:

- in the data entry category “self-liquidating risks”:
 - credit transfers and portfolio discount of receivables and indirect financial portfolio discount, without recourse and with recourse (“transfer”);
 - advances on credits transferred for factoring transactions (“factoring”);
 - advances subject to collection, on invoices and other advances on notes and documents (“advances”);
- in the data entry category “risks to maturity”:
 - financial leasing transactions;
 - the investment transactions concerning a loan in a currency other than the Euro are supported by public guarantee on foreign exchange risk;
 - advances on future receivables;
 - repurchase agreements and repos transactions;
 - the opening of credit facilities on a current account;
 - subordinated loans;
- in the category ‘credits transferred to third parties’:
 - transactions for the transfer of credit to securitisation companies
 - credit transfer transactions to other parties, with these being distinct depending on whether they are without recourse or with recourse.

5.8. Linked person

The classification variable *linked person* allows for the reporting of linking forms other than joint obligations, between the customer and other parties.

Its valorisation is required for the following data entry categories:

- guarantees received, where the CCR code of the party in favour of whom the guarantee is granted;
- credits acquired from customers other than intermediaries - transferred debtors, where the CCR code of the transferring party must be specified;
- credits transferred to third parties, where the CCR code of the transferee must be specified.

In particular, in the data entry categories *guarantees received* and the *credits acquired from customers other than intermediaries - transferred debtors*, the classification variable conventionally assumes the value *not reported* when the party linked (guaranteed party/transferring party) is not reported by the intermediary in the same reference period, as well as limited to the *guarantees received*, when the guarantee was issued in favour of a number of parties and in the case of counter-guarantees.

5.9. Relationship status

The classification variable *relationship status* provides indications on the credit situation.

In the context of the data entry categories *self-liquidating risks*, *risks to maturity* and *risks until revoked*, the variable distinguishes unlikely to pay from past due and/or overdue loans.

For reporting purposes, the following is specified:

- the ‘unlikely to pay’ qualification, as it relates to the entire customer position, must be indicated on all the credit lines;
- the information relating to persistent breaches (past due and/or overdue loans) must be reported on the individual credit lines concerned.

In the context of the data entry category *guarantees received*, the classification variable *relationship status* indicates the possible unsuccessful activation of the guarantee, if applicable. In particular, the guarantee is to be considered as activated with negative outcome upon expiry of the term that, by contract or according to contractual uses, the intermediary grants to the guarantor to fulfil the commitments undertaken. In all other cases, the variable assumes the value of *non-activated guarantee*.

With reference to the data entry categories *credits acquired from customers other than intermediaries - transferred debtors* and *self-liquidating risks - past due loans*, the variable distinguishes, respectively, past due loans from those that have not yet past due and past due loans from past due and unpaid loans.

A loan is to be considered past due when the time limit for payment provided for in the contract has elapsed, or on expiry of the more favourable term granted to the debtor by the intermediary.

For the data entry categories *self-liquidating risks*, *risks to maturity*, *risks until revoked*, *loans for insolvency proceedings and other special loans*, *bad loans*, *guarantees related to commercial transactions*, *guarantees related to financial transactions*, *guarantees received*, and *credits acquired from customers other than intermediaries - transferred debtors*, the variable also makes it possible to distinguish the reports that are being objected from those that are not objected.

Any relationship being reported (loans, guarantees, transfers, etc.) for which a competent Authority is a third party in relation to the parties (judicial Authority, Data Protection Authority, or another authority designed for the out-of-court settlement of customers’ disputes) is considered as “objected”.

The existence of the dispute must be indicated starting from the report concerning the date on which the intermediary receives formal communication while legal proceedings are in progress. It follows that internal controls must be adopted, aimed to ensure the timely update of the relationship status, through the formalisation of the information flows between the facilities monitoring, also as outsourcers, the disputes on behalf of the reporting intermediary and the facility in charge of feeding the flows for CCR purposes.

The qualification of disputed relationship is no longer due as from the report referred to the date of the measure taken by the competent Authority, and the reports must be adapted in accordance with the conditions laid down in the measure itself.

5.10. Type of guarantee

The classification variable *type of guarantee* provides an indication of the type of guarantees recorded in the Central Credit Register. In particular, it indicates:

- with reference to cash loans, if they are supported by collaterals for the assets of the borrowing parties (internal guarantees) or of third parties (external guarantees), specifying their type. The classification variable of must be given a valorisation even in the case where the guaranteed debt presents a drawn amount equal to zero. In the case of credits approved as guaranteed, for which guarantees are acquired and completed subsequently, the variable ‘type of guarantee’ must be given a valorisation only starting from the time in which the guarantees are acquired and completed;
- in the context of the data entry category ‘guarantees related to financial transactions’, the guarantees supporting the loans granted to the customer by other reporting intermediaries, as well as those connected with credit transfer transactions with recourse between intermediaries;
- in the data entry category ‘guarantees received’, the external collaterals, and first and second instance personal guarantees.

If the same credit line is supported by a number of guarantees, the variable assumes:

- in the cash loans, the values ‘multiple internal collaterals and/or liens’ when the collaterals supporting the credit line are of different type (e.g. pledge and mortgage) and all relate to the assets of the borrower; multiple external collaterals if the credit line is supported by collaterals of a different type relating to third-party assets; multiple collaterals and/or liens in the case where the credit line is supported by collaterals relating to assets of the borrower and/or third parties, irrespective of their type;
- in the guarantees received, the value multiple external collaterals and personal guarantees when the credit line is supported by external collateral and personal guarantees, irrespective of their type.

5.11. Related phenomenon

The classification variable *related phenomenon* must be given a valorisation in the presence of credit transfer transactions to third parties by the reporting intermediary. It provides instructions on the nature of the transferred credits (bad loans and non-bad loans).

5.12. Credit quality

The classification variable *credit quality* makes it possible to highlight whether the credits being reported are or are not to be included among non-performing exposures.

Its valorisation is required for the data entry categories *self-liquidating risks*, *risks to maturity*, *risks until revoked* and *loans for insolvency proceedings and other special loans*.

The classification variable may assume the values *non-performing*, *performing* and, in the case in which the reporting intermediary is not required to report the “non-performing” assets for supervisory purposes, the value *not applicable*.

6. DATA CLASSES

6.1. Granted amount and operational granted amount

The data classes *granted amount* and *operational granted amount* must be given valorisation for the cash loans and credit commitments.

The *granted amount* represents the credit that the competent bodies of the reporting intermediary have decided to grant to the customer. A necessary condition for the report is that the credit line derives from a request by the customer or from acceptance by the same of a proposal by the intermediary.

The *operational granted amount* is the credit facility amount that can be utilised by the customer as it refers to a complete and effective contract.

In the financing transactions for work progress, the *operational granted amount* indicates the funding amount that can effectively be used by the customer in relation to the work progress.

If, in view of the characteristics of the transaction, the intermediary has not pre-established the credit facility amount, the amount to be entered under *granted amount* and under *operational granted amount* is equal to that of the drawn amount resulting at the end of the month. This category normally includes repurchase agreements and repos.

The categories *granted amount* and *operational granted amount* include the credit facility increases requested by the customer that involve the possibility for the customer to raise, for a certain period of time, its capacity for indebtedness towards the intermediary.

No report under *granted amount* and *operational granted amount* should be made with reference to the operational ceilings that the intermediary, for internal requirements, has pre-established in favour of customers and to the credit facilities (or increases of existing credit facilities) resolved upon in the absence of a specific request for funding by the customers (so-called internal credit facilities). These credit facilities must be reported as from the date in which the credit line relationship is formalised and accepted by the customers.

The withdrawal of the reporting intermediary, or another event terminating the funding contract, involves the zeroing of the amounts reported under *granted amount* and under *operational granted amount*. Likewise, in the case of reduced credit lines, reports must be correspondingly adapted.

Only if formalised, any extension of the credit facility and the renegotiation of the credit will give rise to continuation of the report concerning the *granted amount* and the *operational granted amount*.

In the case of a resolution granting a credit line that provides for the simultaneous termination, at the time of issuance, of another loan for which there is still an exposure of the intermediary, the granted amount of the new transaction shall absorb the previous one. In any case, up to the time of issuance of the loan, the amount of the pre-existing

transaction must be reported under *operational granted amount*. In particular:

- if the transactions are of the same nature, the granted amount must indicate the greatest of the amounts of the new credit line and of the previous one;
- if the new transaction is of a different nature compared to the previous one, the granted amount of the new resolution must be reported, up to the time of issuance, in the data entry category where the drawn amount of the previous transaction has been entered; any available margin must be highlighted in the relevant data entry category of the new transaction. Upon issuance, reports must only take into account the characteristics of the new transaction.

In accordance with the general principles, in the credit commitments, the *granted amount* represents the amount of the guarantees that the intermediary has resolved to grant, while the *operational granted amount* indicates the amount of the guarantees that the intermediary has committed to grant on the basis of a complete and effective contract.

6.2. Drawn amount

The data class *drawn amount* must be given a valorisation for the cash loans and the credit commitments.

The *drawn amount* represents, in the cash loans, the amount of the credit granted to the customer on the report reference date, while in the credit commitments, the amount of guarantees actually granted on the report reference date.

It corresponds – except for specific provisions – to the end-of-month accounting balance, adjusted by the items still pending or in transit, wherever these are entered in the database, for which it is possible to identify, within the terms of the report, the account of their final destination.

It should be noted that:

- the fees, for costs and interest, accrued, periodically on the opening of a credit facility on a current account must be reported with reference to the end of the period of reference, even if they are entered at a later date;
- the fees and interest to be received must be reported only if they relate to credits to be considered as in arrears under the terms provided for by the contractual clauses or those more favourable terms granted to the customer according to contractual uses; they are to be included in the data entry category concerning the transactions to which they relate.

6.3. Average balance

The indication of the *average balance* is required only for the opening of a credit facility on a current account to maturity and for risks until revoked.

It corresponds to the arithmetic average of the daily accounting balances reported in the month to which the report relates. The report of the average balance is required only for the existing loans on the date of the report.

6.4. Value of the guarantee and guaranteed amount

The data class *value of the guarantee* must be given a valorisation only for the data entry category *guarantees received*.

The *value of the guarantee* indicates, in personal guarantees, the limit of the commitment taken on by the guarantor with the guarantee contract; in collaterals, it indicates the value of the asset given as a guarantee.

If the guarantor has granted, with reference to the same credit line, multiple external collaterals and/or personal guarantees, the data class *value of the guarantee* must incorporate the amount corresponding to the guarantee with the greater value if, as agreed, the intermediary can enforce only one of the guarantees; by contrast, an amount corresponding to the total value of the guarantees must be reported, if it can enforce all the guarantees.

The data class *guaranteed amount* must be given a valorisation for all the cash loans, with the exclusion of *loans for insolvency proceedings and other special loans* and for the *guarantees received*.

In the cash loans, the *guaranteed amount* is equal to the lesser amount between what is stated in the data class *drawn amount* and the value of the assets being guaranteed. If the credit facility is supported by a lien, conventionally the *guaranteed amount* must not be given a valorisation, given the difficulty in determining, in most cases, the actual equivalent value of the guarantee.

In the guarantees received, the *guaranteed amount* is equal to the lesser between the value of the guarantee and the amount drawn by the guaranteed party.

In the case in which the collateral or personal guarantee support a loan with instalment based repayment and provisions are made for its reduction in proportion to the amount of capital reimbursed, the amounts reported in the data classes *value of the guarantee* and *guaranteed amount* should be reduced accordingly. In the event of a breach by the main debtor, these amounts must include, as well as the amounts of capital, also the costs and default interest, on condition that they are covered by the guarantee contract.

The value of the asset given as a guarantee must be quantified according the criteria set out below:

- in case of a mortgage registration, the lesser amount between the value of the registration itself and the estimated or appraised value of the mortgaged asset must be considered. For mortgages of a degree subsequent to the first, the estimated or appraised value of the asset mortgaged must be considered net of the existing mortgage registrations, if these were made by other intermediaries, or net of the residual capital of the credit relating to the pre-existing registrations, if these had been carried out at the request of the same intermediary;
- in the event of a pledge on securities and on other assets, their market value must be considered, or
- their estimated or appraised value, depending on whether or not they are assets listed on the market.

6.5. Other amounts

The data class *other amounts* conveys entries:

- for the data entry categories ‘credits acquired from customers other than intermediaries - transferred debtors’ and ‘self-liquidating risks - past due loans’, the face value of the credits;
- for the data entry category ‘credits transferred to third parties, the customer's debt’, regardless of the transfer price;
- for the data entry category ‘bad loans - credits recognised as losses’, the amount of the losses recorded on the reporting date.

6.6. Offsetting prohibition

The reports sent to the Central Credit Register relate exclusively to the debt items of the customers towards the intermediaries; therefore, the offsetting between debtor accounts and creditor accounts is not permitted.

According to this principle, losses credited to customers, such as, for instance, advance payments on mortgage instalments due, may not be considered as adjustments of the amount to be reported if the intermediary has not correspondingly updated its accounting entries.

7. REPORTING OF SPECIFIC TRANSACTIONS

7.1. Factoring

As regards to *factoring* transactions, separate reports must be prepared in the name of the transferor and of the transferred debtor.

Any advances granted by the intermediary against existing credits must be reported, in the name of the transferring party, in the data entry category *self-liquidating risks* by appropriately indicating the classification variable *type of transaction*.

If the transferring party is a non-financial company or a producer household, a report must also be produced, in the name of the latter, in the data entry category *self-liquidating risks - past due loans*.

The face value of the acquired credits, regardless of the relevant purchase price, must be reported in the name of the transferred debtor in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*. In the classification variable *linked person*, the CCR code of the transferor must be specified.

In case of default of the transferred debtor, the intermediary must continue to report any advances paid to the transferring party in the data entry category *self-liquidating risks* and any past due loan in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*, appropriately filling in the classification variable *relationship status* for as long as the amount of the credit being transferred is not credited to the account of the transferor (in the event of transfers without recourse) or until the credit will be returned to the transferor (in the event of transfers with recourse). Starting from the first subsequent reporting, past due loans should no longer be included in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*, but, should all requirements be satisfied, in the data entry categories *risks until revoked* or *bad loans* in the name of the transferred debtor, for transfers without recourse, or in the name of the transferring party, for transfers with recourse and if the default of the transferred debtor is followed by the default of the transferring party; the risk position of the transferring party, reported under *self-liquidating risks*, must be adjusted accordingly.

In case of transfers of future receivables, any advances must be reported in the data entry category *risks to maturity* by appropriately indicating the classification variable *type of transaction*. No report must be produced in the name of the transferred debtor.

Factoring reporting criteria apply also to the transactions for the purchase of credits with definitive payment of their price. Such transactions, however, must be reported in the name of the transferor under the data entry category *self-liquidating risks* by entering in the data class *drawn amount* the amounts paid against the credit acquired. The same amount must be conventionally reported in the data classes *granted amount* and *operational granted amount*. The face value of the acquired credits must be reported in the name of the transferred debtor in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*.

7.2. Subject to collection, advances on invoices, notes and other commercial documents

Any advances granted by the intermediary against credits acquired through transactions subject to collection and advances on invoices, notes and other commercial documents must be reported, in the name of the transferring party, in the data entry category *self-liquidating risks*, provided that the reporting intermediary has an irrevocable mandate for collection, or the credits are domiciled, for payment purposes, at its own branches.

In the same cases, and if the transferring party is a non-financial company or a producer household, a report must also be produced, in the name of the latter, in the data entry category *self-liquidating risks - past due loans*.

If the notes and other documents acquired by the intermediary are expired and unpaid (so-called outstanding payments), the relevant risk positions must be reported in the data entry category *risks until revoked* or, should the criteria be met, under *bad loans*.

7.3. Portfolio discount

Transactions regarding portfolio discount of receivables and indirect financial portfolio discount, must be reported in the data entry category *self-liquidating risks* in the name of the transferring party, specifying in the data class *drawn amount* the amount equivalent to the face value of the notes on expiry.

For the discounting transactions with a “repayable credit facility” clause in the data classes *granted amount* and *operational granted amount*, the amount specified must be the same as the *drawn amount*.

If the transferring party is a non-financial company or a producer household, a report must also be produced in the data entry category *self-liquidating risks - past due loans*.

As regards the indirect discounting transactions on portfolios of receivables and financial portfolios made on a without recourse basis only, the face value of the discounted notes must also be reported in the name of the transferred debtor in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*, specifying the CCR code of the transferring party in the classification variable *linked person*.

In case of default of the transferred debtor, the amount of the expired and unpaid notes (so-called outstanding payments) must be reported in the data entry category *risks until revoked* or, should all requirements be satisfied, under *bad loans* in the name of the transferred debtor if the credit was discounted on a without recourse basis, and in the name of the transferring party if the credit was discounted with recourse and the default of the transferred debtor is followed by the default of the transferring party.

Transactions regarding agricultural, handicraft and direct financial portfolio discount, must be reported in the name of the beneficiary in the data entry category *risks to maturity* for an amount equal to the face value of the credit acquired.

7.4. Loans against transfers of credit from customers other than intermediaries

The data entry category ‘self-liquidating risks’ includes the financing transactions implemented with customers other than intermediaries and based on a credit transfer agreement⁸. The report must be made in the name of the transferring party, both for “with recourse” and “without recourse” transfers, by entering in the data class “drawn amount” the amounts paid against the credits acquired. The same amount must be conventionally reported in the data classes ‘granted amount’ and ‘operational granted amount’.

If the transferring party is a non-financial company or a producer household, a report must be produced in the data entry category *self-liquidating risks - past due loans*.

Additionally, in case of “with recourse” as well as “without recourse” transfers, the intermediary must make a report in the name of the transferred debtor in the data entry category *credits acquired from customers other than intermediaries - transferred debtors*, specifying the CCR code of the transferring party in the classification variable *linked person*.

7.5. Credit transfers by intermediaries

Credit transfer transactions carried out by participating intermediaries⁹ must be reported, only for the reports related to the month in which the transfer was carried out, in the data entry category *credits transferred to third parties*. Specifically, the transferring intermediary must report, in the name of the transferred debtor, the face value of the credit being transferred, specifying the CCR code of the transferee in the classification variable *linked person*.

If the transfer is made on a with recourse basis, the transferring intermediary must report the transferred debtor amongst the credit commitments in the data entry category *guarantees related to financial transactions*, until the expiry of the guarantee.

If the transferee of the credits is an intermediary participating to the centralised risks service, it must report, in the name of the transferred debtor, the acquired credits according to the technical form of the original transaction. This criterion must be followed also in the event that only the transferee is an intermediary participating to the centralised risks service.

7.6. Leasing transactions

Any risk positions resulting from financial leasing transactions and operational leasing transactions with a financial nature must be reported in the data entry category “risks to maturity”, by appropriately indicating the classification variable “type of transaction”.

Such positions must be reported according to the criteria of the financial method.

Specifically, the amount of the implicit credits on financial leasing contracts, that is

⁸ The loans granted and secured by the transfer of credits must be reported in the relevant data entry categories according to the technical form of the individual transactions covered.

⁹ See block transfers under article 52 of the LISF.

to say the sum of the portions of capital of the maturing fees and the redemption price inferred from the depreciation plan based on the internal rate of return, must be reported in the data classes *granted amount* and *operational granted amount*.

The data class *drawn amount* must contain the same amount but increased, in case of default of the user, by any fees (capital and interest) due and not paid, the relevant incidental expenses (taxes, fees, expenses), and any past due but unpaid invoices issued by the intermediary for any incidental costs (such as the appraisal of the assets, registration fees) not included in the fees.

In the period from the resolution granting the credit facility to the execution of the funding contract, the intermediary must fill in only the data class *granted amount* for an amount equal to the cost of the leased asset net of any fees paid in advance.

In case of termination of the leasing agreement, the amounts reported in the relevant data classes are not subject to any change until the expiry of the period granted, if any, to the user to honour his/her debt.

If the leasing agreement is related to goods under construction, until the date when the loan is disbursed, which usually coincides with the delivery of the finished goods to the user, the intermediary must report, in the name of the user and in the data classes *granted amount* and *operational granted amount*, the amount granted for the transaction, net of fees paid in advance (if any). Additionally, the data class *drawn amount* must be filled in for an amount equal to any expenses incurred by the intermediary for the construction of the goods (so-called pre-leasing charges) net of fees paid in advance, if any.

7.7. Pre-financing of mortgage loans

The transactions for the pre-financing of mortgage loans, even if implemented by the same intermediary who granted the mortgage loan, must be reported in the data entry category *self-liquidating risks* separately from the mortgage loan itself.

The amount granted by means of a resolution and related to the mortgage loan must be reported for the entire amount in the data class *granted amount* of the data entry category *risks to maturity*.

7.8. Mortgage loans and other transactions with instalment based repayment

Transactions of this type must be reported under *risks to maturity*. The data class *granted amount* must initially show an amount equal to the credit facility granted pursuant to a resolution. Once the depreciation has started, the data classes *granted amount* and *operational granted amount* must show an amount equal to the capital amount due at maturity, comprised of the capital portions of the instalments due and not in default; the data class *drawn amount* must report the same amount, increased by the due and unpaid instalments, if any (capital and related interest).

7.9. Assumption of debts

In case of assumption of a mortgage loan by a third party (assumer) without release

of the original debtor (party assumed), the report in the relevant data entry category of the cash loans must be made in the name of the assumer only; the position of the party assumed must conventionally be reported under the guarantees received, by specifying, in the data classes *value of the guarantee* and *guaranteed amount*, an amount equal to the *drawn amount* related to the transaction reported under the cash loans. If the original debtor is released, the report must be made in the name of the assumer only.

Should the intermediary fail to participate to the assumption of debts, the reporting under cash loans must be made in the name of the assumed party only.

These principles are also applicable to financial leasing transactions.

7.10. Credit cards

The credit lines granted to customers for the purpose of allowing the repayment by instalments of the purchases made by such customers through credit cards must be reported in the data entry category *risks to maturity*.

If the beneficiary opts for the repayment in full, on the contrary, nothing should be reported; however, any overdraft position on the debit account resulting from failure of the customer to repay on the due date must be reported in the data entry category *risks until revoked*. Any technical advances resulting at the end of the month due to the time-lag between the crediting of the merchant and the repayment by the customer must be reported in the same data entry category and for the same amount, in the data classes *granted amount*, *operational granted amount* and *drawn amount*.

7.11. Repurchase agreements and repos

Repurchase agreements - where the customer undertakes to repurchase from the intermediary, on the date and at the price agreed upon, the financial assets sold spot - must be reported in the data entry category *risks to maturity*, by appropriately filling in the classification variable *type of transaction*.

The data class *drawn amount* must show the price paid spot by the intermediary; a similar amount must be reported in the data classes *granted amount* and *operational granted amount* in the cases where, due to the peculiarities of the transactions, the credit facility has not been previously determined.

7.12. Comfort letters

The guarantees recorded by the Central Credit Register include only the *comfort letters* having nature of commitments. In fact, they provide for a guarantee obligation for the sponsoring company, that is to say a commitment to fulfil, even following a simple request from the lending intermediary, the obligations assumed by the sponsored company against third parties (so-called strong comfort letters). Therefore, any comfort letters having simply a declaratory nature are excluded from the reporting.

The comfort letters being reported are included under *credit commitments* and/or *guarantees received*, depending on whether they have been issued or received by the reporting intermediary.

If the maximum extent of the commitment assumed by the guarantor has not been predetermined, the following reporting criteria apply:

- for the credit commitments, the data classes granted amount and operational granted amount must conventionally contain the same amount reported in the data class “drawn amount”;
- for the guarantees received, the data class “value of the guarantee” must conventionally contain the same amount reported in the data class “guaranteed amount”.

7.13. Guarantees issued by order of other intermediaries

The reporting of the guarantees issued by order of other intermediaries must be made, in the name of the beneficiary of the guarantee, by the intermediary (ordering party or ordered party) who assumes the risk of the transaction.

If the credit commitment issued is counter-guaranteed, the intermediary acting as guarantor (ordering party or ordered party) must report such guarantee under credit commitments in the name of the beneficiary intermediary. The latter must, in turn, report the intermediary acting as guarantor under the data entry category *guarantees received*.

8. PROCEDURES FOR THE EXCHANGE OF INFORMATION

8.1. Premise

The centralised risks service operates within a context of ongoing interaction with the intermediaries who, except for the amounts reported at the end of the month, must transmit the information every time a reporting requirement arises, without a predetermined frequency.

In addition to the information specifically requested, to the monthly return flows and the information on the customer *status*, the intermediaries also receive all notices related to the names they are interested in, as they are recorded in the files of the Central Credit Register.

They are required to verify the correctness of the information received and, in case of errors, to notify such errors, according to the procedures provided for. In the absence of any adjustments, it will be implied that the correctness of the data recorded has been ascertained. Additionally, they must immediately reply, after the appropriate checks, to all requests for a confirmation of data made on a specific entry and/or risk position.

The intermediaries, in fact, for the relationships held directly with the customers and for the related availability of documentary elements, are the only ones capable of ensuring the correctness of the reported data and of clarifying any doubt that might arise with the acquisition of such data.

8.2. Report exchange procedures

The information must be exchanged according to the criteria provided for in the technical manual “Procedure for exchanging information with the CCR”¹⁰.

The exchange of information is made through a web application made available by the Central Bank or by means of flows exchanged through RIS as regards to the monthly reports and customised return flow.

In order to facilitate the intermediaries in the preparation of the information, the web application makes it possible, in some cases, to massively download and upload the information, by using the schemes defined in the technical manual. Specifically, this functionality is provided for the following transactions:

- personal data notification of natural persons, persons other than natural persons and joint accounts;
- monthly reports on risks;
- adjustment of amounts;
- first information request about natural persons, persons other than natural persons and joint accounts;
- customised return flow.

¹⁰ The intermediaries may download the technical information directly from the web site of the CBSM.

In those cases where the Central Bank requests the documentation proving the correctness of the information contained therein, the intermediaries are required to transmit such documentation, in a digital format, through the appropriate web application.

8.3. Controls

In order to ensure the reliability of the data, a set of tools and programs are activated to verify the information transmitted by the participating intermediaries.

Each information transmitted by the intermediaries is subject to a set of controls aimed at verifying the compliance of the information transmitted with the reporting schemes provided for, as well as the consistency of such information within the context of the same report or compared with the reference parameters.

Any information that is found to be formally incorrect is not acquired and the intermediary is involved through a specific notice.

8.4. Investigations

The term *investigation* means a procedure through which the reporting intermediaries are contacted in order to find out their opinion as regards to a change in the database of ID details proposed by one of them, or as regards to an alleged anomaly in the information regarding the database details or the amounts, being acquired or already recorded.

The first case occurs when an investigation is deemed appropriate as a precautionary measure prior to acquiring in the database a change in the database details not supported by documents and related to a person reported by more than one intermediary (so-called “investigation on a change in database details”).

The second case occurs when the opinion of the intermediaries involved is sought as regards to an alleged duplicate entry (so-called “investigation on duplicate entries”) or when the intermediaries are required to confirm the risk positions reported in the name of a person recorded in the database. This latter type of investigation may be proposed also by an intermediary should it believe that the global risk position of a person recorded in the database, resulting from the return flow or from the reply to a request for information, is incorrect.

The intermediaries are contacted by means of specific notices through the web application, notified also by email to the addresses specified by such intermediaries, to which they must reply not later than three business days, after a thorough examination of all information in their possession.

9. MANAGEMENT OF PERSONAL DETAILS

9.1. Premise

The Central Credit Register uses a Database of personal details where all the persons to whom the information gathered by the Central Bank refer are recorded and identified with one single code (code of the person recorded in the database), for the purpose of performing its institutional duties.

The Database is fed with the information acquired from public registers, lists, official records, or transmitted by the reporting parties. In the first case, the source of the information is defined as official since the data registered in the Database come from institutions that certify the existence of the persons and the validity of their personal details; in the second case, the source is of a cooperative type, since the data are notified by a group of reporting parties that contribute to the registration of the persons and the update of the information.

9.2. Types of persons, data entry and updating sources

The persons registered in the Database are divided, based on their features, into predefined types.

The types of persons in question are the following:

- Resident and non-resident natural persons (consumer and producer households). In case of joint sole proprietorships, these are recorded in the same way as the joint accounts (comprised of natural persons only);
- resident and non-resident persons other than natural persons (financial undertakings, non-financial undertakings, associations, not-for-profit institutions, public administrations, foreign institutions);
- joint accounts. In the case of partnerships, the latter are recorded in the database with the CCR code of the partnership itself and the CCR codes of the partners with unlimited liability.

Each type of person has its own data entry source and may have one or more updating sources for the different attributes.

For natural persons and persons other than natural persons, resident in the Republic of San Marino, the official data entry source is represented by the files of the Public Administration (such as the database of the Registry Office, database of the economic operators, etc.).

The updating of the business sector, on the other hand, is the responsibility of the reporting intermediaries; an exception is represented by the supervised banks and financial companies whose business sector is taken from the evidences of the Central Bank. Such evidences are also the source of the authorised entity code for the registration in the Register of Authorised Entities.

With reference to mutual investment funds of San Marino, the Central Bank is the

official source of data entry and updating of the relevant database attributes.

Given the certification relevance of the information included in the official sources, the reporting parties may not change the attributes resulting from such sources; in case of differences with the information provided by the customers, the reporting parties must report this circumstance to the customers so that they may contact the competent offices for the corrections required.

The recording of such parties in the database is made following the application for a code filed by the reporting party; the updating and correction of the personal details are also the responsibility of the reporting parties, except for the foreign counterparty code, for which the Central Bank, as the entity in charge of assigning the codes, is the only updating source.

The data entry source for non-resident natural persons and persons other than natural persons, and for joint accounts (including partnerships) is of a cooperative nature, although priority is given to the information coming from foreign CCR of the countries where such persons (natural and other than natural) are resident.

The recording of such persons in the database is made following the application for a code filed by the reporting intermediary; the updating and correction of the personal details are also the responsibility of the reporting parties.

9.3. Database elements of the persons recorded

For natural persons, the following identification elements are recorded in the database:

- Single identification code depending on the attribute “Country of residence”:
 - ISS code (if resident in San Marino);
 - tax code (if Italian resident);
 - ISO code of the Country of residence + TIN (if Foreign resident other than Italian resident);
- the Country of residence must be the same as the ISO code of the Country of residence (e.g. SM, IT, etc.);
- Surname and Name in full;
- Place of birth codified with:
 - Single Branch Code for San Marino (09800), if the person was born in San Marino;
 - Branch Code of the Italian town of birth, if the person was born in Italy;
 - ISO code of the country if the person was born abroad;
- Date of birth in the form YYYYMMDD;
- Gender (F or M);
- Place of residence codified with:
 - Single Branch Code for San Marino (09800), if the person is resident in San Marino;
 - Branch Code of the Italian town, if the person is resident in Italy;
 - ISO code of the country if the person is resident abroad;

- Customer classification made according to the criteria specified in Annex G;
- Legal form to specify whether it is a consumer or a sole proprietorship;
- Legal position to specify whether any insolvency or liquidation (voluntary or administrative compulsory liquidation) proceeding exists;
- Inheritance, to specify, if the position is in the name of a deceased person, whether the inheritance has not been accepted yet or whether it has been accepted with benefit of inventory.

For natural persons, it is not possible for two separate persons to have the same “Country of residence” and “Identification code” attributes.

The identification elements for persons other than natural persons are the following:

- Single identification code depending on the “Country of residence”:
 - Economic Operator Code (if San Marino resident);
 - tax code (if Italian resident);
 - ISO code of the Country of Residence + TIN (if Foreign resident other than Italian resident);
- the Country of residence must be the same as the ISO code of the Country of residence (e.g. SM, IT, etc.);
- Name of the company as resulting from the memorandum of association or from any subsequent amendment thereto;
- Abbreviation, if any, of the person;
- Registered office, indicates, by means of an identification code, the place where the registered office of the person is located and depends on the attribute “Country of residence”:
 - Single Branch Code for San Marino (09800);
 - Branch Code of the Italian town where the registered office is located in Italy;
 - ISO code of the Country where the registered office is located abroad.
- Registration number of the person other than natural person. For persons other than natural persons resident in San Marino, the registration number in the competent register is reported (such as Register of Companies, Public Register of Foundations, Register of Associations, etc.). For undertakings resident in Italy, the number of registration in the List of Business and Administrative Information (repertorio delle notizie economiche e amministrative or REA) held with the Register of Companies where the person has its registered office, is indicated. For foreign undertakings, the number of registration in the relevant Register of Companies or similar registers is indicated;
- Legal form, i.e. the type of company the person has adopted, or its legal status;
- Customer classification made according to the criteria specified in Annex G;
- Legal position to specify whether any insolvency or voluntary liquidation proceeding exists, or the removal from the Register of Companies or, in case of Italian investment funds, the termination of the fund;
- Registered office of the foreign parent company indicates the ISO code of the foreign Country where the parent company of the foreign company is located;
- Authorised entity code SM - IT indicates the identification code for the supervised intermediaries in San Marino and in Italy, depending on the attribute “Country of residence”;

- If resident in San Marino, it is the same as the registration code in the Register of Authorised Entities;
- If resident in Italy, it is the same as the ABI code;
- If resident abroad, the field is not filled in.

For persons other than natural persons, it is not possible for two separate persons to have the same “Country of residence” and “Identification code” attributes.

9.3.1. Identification database details

For the purposes of a correct identification of the persons recorded in the database, the following attributes, used for the identification of the person based on its type, are mandatorily required:

- Natural person:
 1. Identification code;
 2. Surname;
 3. Name;
 4. Place of birth;
 5. Date of birth;
 6. Country of residence.
- Person other than natural person:
 1. Identification code;
 2. Name;
 3. Registered office;
 4. Registration number;
 5. Country of residence.

9.4. Application for the code of the person recorded in the database

The participating intermediaries that need to know the CCR code of a name must prepare the personal data notification through the transmission of the relevant database details with the utmost accuracy and completeness.

The intermediary notifies to the Central Bank the CCR codes of the persons recorded in the database who are part of a joint account or of a partnership, in order to obtain the single identification code with which the joint account or partnership is recorded in the data registry.

In case of persons part of joint accounts or partnerships who are not reported yet by the intermediary, the latter must previously make the personal data notification in order to acquire the missing CCR codes.

For each application for a code of a person recorded in the database, the intermediary receives the result of the codification, with which it is informed of the outcome of the search made in the CCR Database.

If it is possible to identify a person recorded in the database, whose database attributes correspond to those of the reported party, the intermediary receives the database details and the code of the person so identified. This code must be used to uniquely identify the person in the CCR.

If there are persons recorded in the database with database details similar to those of the reported party, and for none of them the similarity is such that it may be assumed that it is in fact the same person, the database details of one or more namesakes are returned to the reporting intermediary who will verify the presence of the reported party.

If the intermediary finds that one of the namesakes corresponds to its reported party, by means of a selection, the intermediary will also receive the respective CCR code and database attributes present in the data registry of the CCR IT system.

If, on the contrary, the intermediary finds amongst the namesakes a person with the same identification code (for natural persons or persons other than natural persons) and same attribute “Country of residence”, it will be required, in case it intends to confirm the personal data notification, to provide the documentation evidencing the information to the CCR IT system, and the latter shall initiate an investigation for a possible change in the database.

In the event that the name is not found and no namesake exists, if it belongs to a type included in the database of an official source, the CCR CBSM IT system may, depending on the attribute “Country of residence” and on the presence of data exchanged with the foreign CCR, subsequently record the new person in the database or initiate the procedure for foreign personal data notification, or notify to the intermediary that the reported party does not exist.

9.5. Changes to database details

The procedure to change the database details with a cooperative source is activated on the initiative of the participating intermediaries, when the latter have information that leads them to believe that one or more attributes registered in the Database are incorrect or no longer valid, or following a confirmation request received. In both cases, the intermediaries must use the web application procedure for changing the details in the database, which must contain the relevant CCR code and the changes proposed.

If the intermediary finds that the composition of a joint account, previously reported, is incorrect, it shall request the Central Bank to cancel such joint account and, if any amounts have been reported for the incorrect joint account, carry out the necessary amendments.

If a person recorded in the database in error, who is part of a joint account, is cancelled, the IT system CCR CBSM shall:

- enter in the database a new joint account with the correct persons;
- eliminate the joint account replaced;
- notify to the reporting intermediaries, by means of a user interface and e-mail, the replacement of the joint account, showing the database details of the new joint account and of the previous one now replaced.

The data that may be changed in the database depends on the source of data entry and updating of the type of persons to which the person recorded in the database belongs (see Annex C):

- In case of official source, no change to identification attributes of the person in the database is allowed (see paragraph 9.3.1), whereas the attributes non linked to the identification may, if documented, be changed;
- in case of a cooperative source, the change of all attributes of the person in the database is allowed. When the request refers to identification attributes in the database, the change is allowed only if documented.
- both in case of an official source and of a cooperative source, the documented change to the database details is allowed as regards to the country of residence and this, in turn, entails the change of the attributes “Country of residence”, “Code”, “Place of residence” or “Registered office” in the database.

Additionally, in case of changes of identification attributes of the person in the database, the CCR IT system will process the database details in order to verify if any duplicated entry exists. To identify any duplicated entry, the CCR IT system compares the database details being changed for the person recorded in the database with those of the other persons recorded in the database. In case of a possible duplicate, the CCR IT system may initiate an investigation for duplicated entry (see paragraph 9.8).

In no event the procedure for changing the details in the database may be used to modify the identification elements of a person recorded in the database so as to report a different person. Therefore, if the intermediary has erroneously used a code of a person recorded in the database that corresponds to a person other than the person involved, the intermediary shall apply for a code for its customer and have the data previously reported adjusted.

Once the database details of the person recorded in the database have been updated, the intermediaries involved, who reported such person, are notified of the change made, whether made by an official source or by another reporting intermediary; only in this last case, if they do not agree on the change made, they must notify the correct data.

9.6. Mergers

Any merger between persons other than natural persons recorded in the database are reported by:

- The CCR, through an official source, if all of the persons involved recorded in the database are resident;
- the participating intermediaries, through a cooperative source, in case of non-resident persons recorded in the database.

In both cases, the reporting of a merger requires the transmission of the following data:

- CCR code of the person effecting the merger (merging party);
- CCR code of the person subject to the merger (merged party).

In case of resident persons recorded in the database, once the merger is registered, the CCR notifies to the reporting intermediaries the effective date of the merger, the CCR code of the person recorded in the database together with the details of the person effecting the merger, and the CCR code of the person recorded in the database together with the details of the person(s) subject to the merger.

The notice of a new merger is released to all intermediaries who reported any amounts for the involved persons recorded in the database, both for merging and merged parties, for a past period of 6 months.

Upon registration of the merger, the CCR shall cancel any reports for amounts received in the name of the merged parties for the dates following the effective date of the merger, and shall record such reports in the name of the person surviving the merger. The amounts are not aggregated in case of risk positions which are mutually incompatible; as regards to the adjustment of the amounts, the Central Credit Register shall involve the reporting intermediaries. Any adjustments of the data related to periods prior to the merger date must be made in the name of the merged entity.

9.7. First information request

First information requests may be transmitted to the CCR only if the person has been previously identified and the intermediary already knows the CCR code. No first information request may be transmitted without CCR codes. The acquisition of the CCR code, given that it is functional to the valuation of the creditworthiness of the person for whom the code is requested, must be followed by the first information request on the same code of person recorded in the database.

If the request refers to a joint account, the codes must be specified of the persons comprising such joint account and, if known, the code of the joint account itself. If such codes are also unavailable, they must be acquired beforehand by initiating the specific procedure.

The request must specify the level of detail of the information required, the period or reference date and the reason for the request.

The replies to the first-level requests include the global risk position against all intermediaries of the person for whom the request is made, and the details of the any persons jointly liable.

The replies to the second-level requests include, in addition to the information above, also the risk positions related to the joint obligations and the details and global risk position of the guaranteed parties and of the transferred parties (so-called linked persons) by the person for whom the request is made.

The replies to the second-level requests on joint accounts also include the global risk positions of the other joint accounts (if any) of which the individual joint account holders are part.

Both the first and the second-level also include information related to the amount of the overdraft positions and available margins, calculated for each data entry category and each classification variable, to the number of reporting intermediaries, to the number of first information requests received in the last six months and made because of the initiation of an investigation preliminary to the creation of a credit relationship; any data brought forward is also reported. Where required, the global risk position of the customer against the credit group of the requesting intermediary is also provided.

As regards to the names that have a legal link with actual or potential customers, the intermediaries may only file first-level requests.

The first information request is made by entering the following data:

- reason for the first information request;
- number of records requested (from 1 to 24);
- level of detail of the reply (first or second level);
- indicator (yes/no) if the global risk position against the credit group of the requesting intermediary is required (only if the intermediary belongs to a credit group);
- the CCR code of the person;
- any references of the intermediary, description field to be used by the intermediary.

If the first information request includes a person resident in a foreign country with which the exchange of CCR data is in place, the request is satisfied when the CCR acquires the information from the foreign CCR.

9.8. Check for duplicated entries

A duplicated entry occurs when two separate codes are assigned to one single person due to the omitted or inaccurate transmission by the participating intermediaries of some attributes.

The intermediaries who find a duplicated entry in the database must request the amendment of the incorrect attributes through the function for changing details in the database.

In some cases, the Central Credit Register itself initiates investigations with the participating intermediaries to assess whether any duplicated entry exists. The intermediaries contacted are required to promptly confirm the data previously transmitted or to change the details in the database.

Following the elimination of a duplicated entry, the CCR shall aggregate in one single code the amounts related to the person involved, and, where appropriate, update the relevant details in the database, consequently informing all involved intermediaries. The amounts are not aggregated in case of risk positions which are mutually incompatible; as regards to the

adjustment of the amounts, the Central Credit Register shall involve the reporting intermediaries.

If the eliminated entry in the database was part of a joint account, the CCR shall enter a new joint account with the correct persons recorded in the database, and notify the reporting intermediaries of the replacement of the previous entry, showing the details of the new joint account and those of the replaced one.

Any objections may be transmitted using the specific function of the web application.

10. MANAGEMENT OF THE AMOUNTS

10.1. Reporting risk positions

The participating intermediaries are required to notify to the CCR, on a monthly basis, all risk-related information of their customer that fall within the data entry limits. The information must be provided by using the specific message and must be received by the Central Bank not later than on the 25th day of the month following the reference month.

If an intermediary has no risk position to report, it must notify the CCR of such circumstance through the specific function of the web application.

The CCR may, through a specific notice, request the intermediary to verify the correctness of the risk positions reported, when possible anomalies have been detected.

If, following the checks carried out, the CCR finds that the monthly report contains incorrect risk positions, the entire transmission is rejected. The intermediary is informed of the rejection and is required to urgently transmit the report again.

Even if the reporting intermediary independently detects any incorrect risk position prior to the transmission of the customised return flow by the CCR, the intermediary is nonetheless required to urgently repeat the report. On the contrary, should the anomaly be detected after the transmission of the customised return flow by the CCR, only the incorrect risk position should be modified through the specific amount adjustment procedure.

10.2. Reporting the customer status

The participating intermediaries are required to notify the CCR of any qualitative changes occurred in the debit position of their customers when such change occurs. The information must be provided through the web application within three business days following the day in which the new status is ascertained. The CCR acquires the information and promptly transmits it to the other intermediaries involved.

If an incorrect information has been reported, the intermediary must promptly correct the information transmitted.

10.3. Adjustments of amounts

When the participating intermediaries find out that a risk position previously reported is incorrect or has been incorrectly registered, they must promptly propose an adjustment thereto. The CCR acquires the adjustment and, if it refers to one of the latest twenty-four reports, it will notify it to all intermediaries involved.

The adjustments may be transmitted only as regards to consolidated risk positions, i.e. positions for which the intermediary has already received the customised return flow.

The adjustment may be requested on the initiative of the CCR itself following events that involved the data banks.

Each adjustment may refer to only one person registered in the database for whom the entire risk position must be reported, including the data to be corrected or entered and those that remain unchanged. It is also necessary to specify whether the position is to be cancelled, since it was reported in error, entered ex novo, or amended.

The CCR may request the intermediary to verify again the adjustment data provided if any possible anomaly is detected.

10.4. Investigations on the amounts

The investigations on the amounts may be initiated by the CCR with reference to the controls on the reports, in connection to the requests for access to the CCR data submitted by the reported parties or on the initiative of the intermediaries if they believe, based on the information in their possession, that the global risk position of a person recorded in the database is incorrect. Specifically, the intermediaries may request, through the web functions, the initiation of an investigation on persons reported by them, on names that are linked by a form of joint obligation with their borrowers, or on persons for whom they have filed a first information request; the investigation may be proposed with reference to one or more accounting dates, provided that such dates are comprised in the periods that may be investigated with the first information service.

If the proposal for the initiation of the investigation refers to the number of reporting intermediaries of a certain name, the list of the intermediaries with which such person actually has any relationships must be included. If the proposed investigation originates from a presumed anomaly, the functionality for investigation on duplicated entries must be used.

The intermediaries contacted shall immediately confirm the data previously transmitted or make the necessary adjustments.

For the purposes of the reply, it should be verified whether the risk position being investigated actually refers to the name reported and whether the amounts specified are correct as regards to sums, data entry categories and classification variables.

11. FINAL AND TRANSITIONAL RULES

11.1 Starting the return flows

Except as provided for in the third indent of paragraph 1.3, in order to complete the impact analysis following the general asset quality review process carried out on the assets of the banks prior to the disclosure of the data by the CCR, the return flows, except for those referred to in chapter 9, shall be made available starting from the report referred to in paragraph no. 2.4, related to the first month following that in which the Central Bank will transmit the appropriate notice.

11.2 First information service

The service referred to in paragraph 2.10.1 will be available from the first consolidation of the risk positions following the periodical report referred to in paragraph 11.1 above.

11.3 Bad loans

The first report for the purposes of the obligation to inform the customer and the jointly liable parties, if any, referred to in paragraph 4.1.5, sixth indent, is to be regarded as coinciding with the monthly report referred to in paragraph 11.1 above, as regards to all of such customers and jointly liable parties, if any, registered as non performing on the first day of the month following that in which the Central Bank will transmit the notice referred to in paragraph 11.1 above, regardless of when the information was notified by the reporting intermediary to the CCR for the first time.

11.4 Management of personal data and changes in status

Consistently with the purposes referred to in paragraph 11.1 above, the PARTICIPATING INTERMEDIARIES shall always keep up to date the personal data of the relevant customers for CCR purposes, as well as those related to their quality status, starting from the useful information for the first quarterly report referred to 31/03/2016.

11.5 Credits transferred to third parties or recognised as losses

The provisions referred to in paragraphs no. 4.4.3 and 4.4.4 regarding the recognition in the CCR of the losses accumulated over time, including those resulting from transfers, apply only to losses realised on a date equal or subsequent to the date of entry into force of this Circular.

ANNEX A – SOURCES OF LAW

Law No. 165 of 17 November 2005 (LISF)

PART II - SUPERVISION ON RESERVED ACTIVITIES TITLE I - INSTRUMENTS AND SPHERES OF SUPERVISION CHAPTER II - PRUDENTIAL SUPERVISION

Art. 50

(Credit risk data centralisation service)

1. The supervisory authority is entrusted with the credit risk data centralisation service.
2. The supervisory authority regulates with a specific measure the organisation and running of the service referred to in the first paragraph and determines:
 - a) the authorised entities that are required to submit periodical reports on their risk positions as regards their borrowers;
 - b) the quantitative thresholds concerning the risk positions below which the authorised entities are not required to submit any related report;
 - c) the risk classifications;
 - d) the content of the periodical reports;
 - e) the procedures and terms for access by the authorised entities to the service referred to in the first paragraph;
 - f) the methods for the recovery of service costs from authorised entities who are service users.
3. The supervisory authority periodically furnishes to each party required to submit the reports referred to in the second paragraph above a summary statement of the total risks recorded in the name of each borrower reported thereby and of associated parties.
4. The information acquired by the service referred to in the first paragraph are confidential. It may be used only for purposes associated with the assumption of risk in its different configurations.
5. The parties being registered are entitled to have knowledge of the information relating to them held by the service referred to in the first paragraph. The supervisory authority will regulate the procedures for access to that information by the parties registered.
6. The Supervisory Authority may exchange information on credit risks with the equivalent centralisation services of foreign countries, in the context of specific memoranda of understanding that provide for conditions of full reciprocity, or agreements on cooperation between equivalent authorities, as referred to in the following Article 103.
7. Except as provided for in the previous paragraph 4, for the management of the information referred to in this Article, including any exchange with foreign centralisation services pursuant to the previous paragraph, the discipline provided for in law no. 70 of 23 May 1995 as subsequently amended for the protection of data confidentiality, including that referred to in the last paragraph of Article 4 of the aforementioned law, shall not apply.
8. For the purposes of verifying the accuracy of the information handled by the centralisation service referred to in this Article, the Supervisory Authority may access:
 - the data of Public Offices, with the exception of data relating to the healthcare database, and with the right to examine and extract copies, even by electronic means;
 - personal information available in the electronic data registers of the Public Administration.

ANNEX B – RISK REPORTING FORM

DATA ENTRY CATEGORIES		CLASSIFICATION VARIABLES											DATA CLASSES						
		Location	Original duration	Residual duration	Currency	Import/export	Type of transaction	Linked person	Relationship status	Type of guarantee	Related phenomenon	Credit quality	Granted amount 31	Operational granted amount 32	Drawn amount 33	Average balance 34	Value of the guarantee 35	Guaranteed amount 36	Other amounts 37
1 CASH LOANS																			
1.1 self-liquidating risks	550200	X		A1	X	X	G		P1	C		M	X	X	X			X	
1.2 risks to maturity	550400	X	A	A1	X	X	H		P1	C		M	X	X	X	X		X	
1.3 risks until revoked	550600	X			X	X			P1	C		M	X	X	X	X		X	
1.4 loans for insolvency proceedings and other special loans	550800	X							P2	C		M	X	X	X				
1.5 bad loans	551000	X							P2	C					X			X	
2 CREDIT COMMITMENTS																			
2.1 guarantees related to commercial transactions	552200	X			X	X			P2				X	X	X				
2.2 guarantees related to financial transactions	552400	X			X				P2	E			X	X	X				
3 GUARANTEES RECEIVED	553200	X						X	Q1	D							X	X	
4 INFORMATION SECTION																			
4.1 credits acquired from customers other than intermediaries - transferred debtors	555100						I	X	R1										X
4.2 self-liquidating risks - past due loans	555150	X							Z										X
4.3 bad loans - credits recognised as losses	555200	X																	X
4.4 credits transferred to third parties	555400	X					L	X			X								X

LIST OF DOMAINS

LOCATION	X	San Marino and Foreign Countries - ISO code
ORIGINAL DURATION	A	5 up to one year 16 from one year to 5 years 17 over 5 years
RESIDUAL DURATION	A1	5 up to one year 18 over one year
CURRENCY	X	1 Euro 2 other currencies
IMPORT/EXPORT	X	3 import 4 export 8 other transactions
LINKED PERSON	X	CCR code 0 not reported

TYPE OF TRANSACTION	G	66 credit transfer, portfolio discount of receivables and indirect financial portfolio discount, without recourse and with recourse (“transfer”) 12 advances for factoring transactions (“factoring”) 69 advances subject to collection, advances on invoices and other advances on notes and documents representing commercial receivables (“advances”) 63 repayments by one fifth of salary 64 self-liquidating risks other than factoring and advances
	H	22 leasing 23 advances on future receivables 24 repurchase agreements and repos 25 subordinated loans 28 opening of credit facilities on a current account 26 other risks to maturity with public guarantee on foreign exchange risk 32 other risks to maturity
	I	33 factoring without recourse 34 factoring with recourse 46 credit transfer and discounting transactions on portfolios, without recourse 47 credit transfers with recourse
	L	43 credits transferred to persons performing securitisation activities 44 credits transferred on a without recourse basis to persons performing securitisation activities 45 credits transferred on a with recourse basis to persons performing securitisation activities

TYPE OF GUARANTEE	C	102	internal pledge
		112	internal mortgage
		103	external pledge
		113	external mortgage
		13	lien
		121	multiple internal collaterals and/or liens
		122	multiple external guarantees
		123	multiple collaterals and/or liens
		125	no collaterals and/or liens
	D	107	first instance personal guarantee
		21	second instance personal guarantee
		126	external collateral
		124	multiple external collaterals and personal guarantees
	E	108	guarantees granted for loans provided to the customer by other intermediaries
		119	guarantee for credit transfers with recourse
		120	other guarantees

RELATIONSHIP STATUS	P1	<p style="text-align: center;"><u>DISPUTED RELATIONSHIPS</u></p> <p>124 customers with unlikely to pay - past due or overdue loans for more than 90 days and no more than 180</p> <p>125 customers with unlikely to pay - past due or overdue loans for more than 180 days</p> <p>126 customers with unlikely to pay - other credits</p> <p>128 customers without unlikely to pay - past due or overdue loans for more than 90 days and no more than 180</p> <p>129 customers without unlikely to pay - past due or overdue loans for more than 180 days</p> <p>130 other credits</p> <p style="text-align: center;"><u>NOT DISPUTED RELATIONSHIPS</u></p> <p>132 customers with unlikely to pay - past due or overdue loans for more than 90 days and no more than 180</p> <p>133 customers with unlikely to pay - past due or overdue loans for more than 180 days</p> <p>134 customers with unlikely to pay - other credits</p> <p>136 customers without unlikely to pay - past due or overdue loans for more than 90 days and no more than 180</p> <p>137 customers without unlikely to pay - past due or overdue loans for more than 180 days</p> <p>138 other credits</p>
	P2	<p>901 disputed relationships</p> <p>902 not disputed relationships</p>

RELATIONSHIP STATUS	Q1	<u>DISPUTED RELATIONSHIPS</u>	
		176	guarantee activated with negative outcome
		177	non-activated guarantee
		<u>NOT DISPUTED RELATIONSHIPS</u>	
		178	guarantee activated with negative outcome
		179	non-activated guarantee
	R1	<u>DISPUTED RELATIONSHIPS</u>	
		180	past due loans
		181	not past due loans
		<u>NOT DISPUTED RELATIONSHIPS</u>	
		182	past due loans
		183	not past due loans
CREDIT QUALITY	M	92	paid loans
		93	unpaid loans
		1	non-performing
		2	performing
RELATED PHENOMENON	X	7	not applicable
		551000	bad loans
		550000	credits other than bad loans

ANNEX C – TYPE OF PERSONS

DATA ENTRY SOURCES AND IDENTIFICATION CRITERIA

Type of person	Data entry source	Identification criteria
Resident natural persons	Registers of the Public Administration (<i>official source</i>)	consumers, self-employed professionals and principals of sole proprietorships
Non-resident natural persons	Reporting intermediaries (<i>cooperative source</i>)	consumers, self-employed professionals and principals of sole proprietorships
Resident persons other than natural persons	Registers of the Public Administration (<i>official source</i>)	joint stock companies limited liability companies cooperative companies de facto companies unlimited partnerships associations not-for-profit institutions, etc.
Mutual investment funds of San Marino	Central Bank (<i>official source</i>)	Autonomous equities as defined in article 1, paragraph 1, letter p) of the LISF
Non-resident persons other than natural persons	Reporting intermediaries (<i>cooperative source</i>)	financial and non-financial companies, public administrations, institutions, etc. with registered office abroad
Joint accounts	Reporting intermediaries (<i>cooperative source</i>)	group of several jointly liable persons

UPDATING SOURCES

Type of person	Updating source	Database attributes
Resident natural persons	Registers of the Public Administration (<i>official source</i>)	surname, name, ISS code, place of birth, date of birth, gender, legal form, classification of business sector ¹¹ , inheritance
	Reporting intermediaries (<i>cooperative source</i>)	legal position, business sector
Resident persons other than natural persons	Registers of the Public Administration (<i>official source</i>)	name, economic Operator Code, registered office, registration number, legal form, legal position, classification of business sector ¹²
	<i>for authorised entities only</i> Central Bank	authorised entity code, business sector, legal position
	Reporting intermediaries (<i>cooperative source</i>)	legal position ¹³ , business sector
Mutual investment funds of San Marino	Central Bank	name, identification code assigned to the fund by the Central Bank, authorised entity code of the Management Company, legal form, registered office of the Management Company, business sector, legal position of the fund
Non-resident natural persons	Reporting intermediaries (<i>cooperative source</i>)	surname, name, identification code, place of birth, date of birth, gender, legal form, classification of business sector, legal position, inheritance
Non-resident persons other than natural persons	Reporting intermediaries (<i>cooperative source</i>)	name, code, registered office, registration number, legal form, legal position, business sector
Joint accounts	Reporting intermediaries (<i>cooperative source</i>)	

¹¹ The ATECO 2007 code attributed by the competent offices of the Public Administration has been officially assigned only to part of the persons, the remaining codes were assigned through exact transcoding or by analogy.

¹² See previous note.

¹³ Only for unrecognised entities, since companies have an official source.

ANNEX D – CONTENT OF THE FIRST INFORMATION

NATURAL PERSONS, CORPORATIONS, ENTITIES AND NON -RESIDENT

FIRST-LEVEL REQUEST

Database details

- CCR code and database details of the person for whom the request is made;

Amount-related data

- global risk position against all intermediaries of the person for whom the request is made;
- where required: global risk position of the person against the credit group of the requesting intermediary;
- overdraft position and available margin by data entry category and classification variable;
- status of the person for whom the request is made;

Summary data

- number of intermediaries reporting on the person for whom the request is made;
- number of intermediaries carried forward;
- number of intermediaries reporting bad loans on the account of the reported party;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- indication on the global risk position of the person for whom the request is made - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period;

Relationships between parties recorded in the database

- CCR code of the joint accounts of which the person is a joint holder and CCR code and database details of the other joint account holders¹⁴;
- CCR code and database details of the partnerships of which the person is a member¹⁵;
- CCR code and database details of the persons in favour of whom the name for whom the request is made released any guarantees to the reporting intermediaries (guaranteed parties)¹⁶;
- CCR code and database details of the persons whose debts have been transferred by the name for whom the request is made, within the context of revolving transactions (transferred persons)¹⁷;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the person for whom the request is made (transferors).¹⁸

¹⁴ This data is provided only if there are amounts reported in the name of the joint account.

¹⁵ This data is provided only if there are amounts reported in the name of the company.

¹⁶ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

¹⁷ If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

¹⁸ If the transferring party is a joint account, the CCR codes and database details of the other joint account holders are also provided.

PARTNERSHIPS

FIRST-LEVEL REQUEST

Database details

- CCR code and database details of the person for whom the request is made;

Amount-related data

- global risk position against all intermediaries of the person for whom the request is made;
- where required: global risk position of the person against the credit group of the requesting intermediary;
- overdraft position and available margin by data entry category and classification variable;
- status of the person for whom the request is made;

Summary data

- number of intermediaries reporting on the person for whom the request is made;
- number of intermediaries carried forward;
- number of intermediaries reporting bad loans on the account of the reported party;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- indication on the global risk position of the person for whom the request is made - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period;

Relationships between parties recorded in the database

- CCR code and database details of the individual members of the company;
- CCR code of the joint accounts of which the person is a joint holder and CCR code and database details of the other joint account holders¹⁹;
- CCR code and database details of the other partnerships of which the person is a member²⁰;
- CCR code and database details of the persons in favour of whom the name for whom the request is made released any guarantees to the reporting intermediaries (guaranteed parties)²¹;
- CCR code and database details of the persons whose debts have been transferred by the name for whom the request is made, within the context of revolving transactions (transferred persons)²²;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the person for whom the request is made (transferors).²³

SECOND-LEVEL REQUEST

In addition to the information required in the first-level request, the following data are also provided:

- Global risk position and status of the individual members of the company;
- global risk position and status of the partnerships of which the company is a member;
- global risk position and status of the joint accounts of which the company is a joint holder;
- existence of any guarantees granted by third parties in support of the debt position of the person for whom the request is made;
- CCR code of the joint accounts of which the members are joint holders and CCR code and database details of the other joint account holders²⁴

¹⁹ This data is provided only if there are amounts reported in the name of the joint account.

²⁰ This data is provided only if there are amounts reported in the name of the company.

²¹ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

²² If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided

²³ If the transferring party is a joint account, the CCR codes and database details of the other joint account holders are also provided.

- global risk position and status of the persons in favour of whom the name for whom the request is made released any guarantees (guaranteed parties);
- global risk position and status of the persons whose debts have been transferred by the name for whom the request is made, within the context of revolving transactions (transferred persons).

JOINT ACCOUNTS

FIRST-LEVEL REQUEST

Database details

- CCR code of the joint account for which the request is made and CCR code and database details of the individual joint account holders;

Amount-related data

- global risk position of the joint account for which the request is made against all intermediaries;
- where required: global risk position of the joint account for which the request is made against the credit group of the requesting intermediary;
- overdraft position and available margin by data entry category and classification variable;
- status of the joint account for which the request is made;

Summary data

- number of intermediaries reporting on the joint account for which the request is made;
- number of intermediaries carried forward;
- number of intermediaries reporting bad loans on the account of the joint account for which the request is made;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- indication on the global risk position of the joint account for which the request is made - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period;

Relationships between parties recorded in the database

- CCR code and database details of the joint account for which the request is made and in favour of which the person for whom the request is made released any guarantees to the reporting intermediaries (guaranteed parties)²⁵;
- CCR code and database details of the persons whose debts have been transferred by the joint account for which the request is made, within the context of revolving transactions (transferred persons)²⁶;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the joint account for which the request is made (transferors).²⁷

SECOND-LEVEL REQUEST

In addition to the information required in the first-level request, the following data are also provided:

- global risk position and status of the individual members of the joint account;

²⁴ This data is provided only if there are amounts reported in the name of the joint account.

²⁵ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

²⁶ If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

²⁷ If the transferring party is a joint account, the CCR codes and database details of the other parties of the joint account are also provided;

- CCR code, global risk position and status of the other joint accounts of which the individual joint account holders of the joint account for which the request is made are part, and CCR code and database details of the other joint account holders;²⁸
- CCR code and database details of the companies of which the individual joint account holders of the joint account for which the request is made are members²⁹
- existence of any guarantees granted by third parties in support of the debt position of the joint account for which the request is made;
- global risk position and status of the persons in favour of whom the joint account for which the request is made released any guarantees (guaranteed parties);
- global risk position and status of the persons whose debts have been transferred by the joint account for which the request is made, within the context of revolving transactions (transferred persons).

²⁸ This data is provided only if there are amounts reported in the name of the joint account.

²⁹ This data is provided only if there are amounts reported in the name of the company.

ANNEX E – CONTENT OF THE CUSTOMISED RETURN FLOW

NATURAL PERSONS, CORPORATIONS, ENTITIES AND NON -RESIDENT

Database details

- CCR code and database details of the reported party;

Amount-related data

- partial risk position reported by the intermediary;
- global risk position against all intermediaries;
- global risk position of the person against the credit group of the reporting entity;
- indications on the global risk position at a data entry category and classification variable level of the overdraft position and available margin;

Summary data

- number of intermediaries reporting on the person;
- number of intermediaries reporting on the person for the first time and number of intermediaries that no longer report on the person;
- number of intermediaries reporting bad loans on the account of the person;
- number of intermediaries carried forward;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- existence of any guarantees granted by third parties in support of the debt position of the person;
- indications on the global risk position of the reported party - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period.

Relationships between parties recorded in the database

- CCR code, database details and global risk position of the persons in favour of whom the reported party released any guarantees (guaranteed parties)³⁰;
- CCR code, database details and global risk position of the persons whose debts have been transferred by the reported name within the context of revolving transactions (transferred persons)³¹;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the name reported (transferors)³².
- CCR code and global risk position of the partnerships of which the reported party is a member³³;
- CCR code and global risk position of the joint accounts of which the reported party is a joint holder; CCR code and database details of the other joint account holders³⁴.

³⁰ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³¹ If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³² If the transferring party is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³³ Only if any amount is reported in their name.

³⁴ Only if any amount is reported in their name.

PARTNERSHIPS

Database details

- CCR code and database details of the reported party;
- CCR code and database details of the members of the partnership;

Amount-related data

- partial risk position reported by the intermediary;
- global risk position against all intermediaries;
- global risk position of the person against the credit group of the reporting entity;
- indications on the global risk position at a data entry category and classification variable level of the overdraft position and available margin;

Summary data

- number of intermediaries reporting on the person;
- number of intermediaries reporting on the person for the first time and number of intermediaries that no longer report on the person;
- number of intermediaries reporting bad loans on the account of the person;
- number of intermediaries carried forward;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- existence of any guarantees granted by third parties in support of the debt position of the person;
- indications on the global risk position of the reported party - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period.

Relationships between parties recorded in the database

- CCR code, database details and global risk position of the persons in favour of whom the reported party released any guarantees (guaranteed parties)³⁵;
- CCR code, database details and global risk position of the persons whose debts have been transferred by the reported name within the context of revolving transactions (transferred persons)³⁶;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the name reported (transferors)³⁷.
- CCR code and global risk position of the members of the partnership³⁸;
- CCR code and global risk position of the joint accounts of which the reported company is a joint holder and CCR code and database details of the other joint account holders³⁹;
- CCR code, database details and global risk position of the partnerships of which the reported company is a member⁴⁰;
- CCR code and details of the other partnerships of which the members are part⁴¹;
- CCR code of the joint accounts of which the members are joint holders; CCR code and database details of the other joint account holders⁴²;

³⁵ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³⁶ If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³⁷ If the transferring party is a joint account, the CCR codes and database details of the other joint account holders are also provided.

³⁸ Only if any amount is reported in their name.

³⁹ Only if any amount is reported in their name.

⁴⁰ Only if any amount is reported in their name.

⁴¹ Only if any amount is reported in their name.

⁴² Only if any amount is reported in their name.

JOINT ACCOUNTS

Database details

- CCR code and database details of the members of the joint account;

Amount-related data

- partial risk position reported by the intermediary;
- global risk position against all intermediaries;
- global risk position of the joint account against the credit group of the reporting entity;
- indications on the global risk position at a data entry category and classification variable level of the overdraft position and available margin;

Summary data

- number of intermediaries reporting on the joint account;
- number of intermediaries reporting on the joint account for the first time and number of intermediaries that no longer report the joint account;
- number of intermediaries reporting bad loans on the joint account;
- number of intermediaries carried forward;
- number of first information requests made following an application for a credit facility and received in the last six months, for which the relevant reporting on the amount has not been made yet;
- existence of any guarantees granted by third parties in support of the debt position of the person;
- indication on the global risk position of the reported joint account - at a data entry category and classification variable level - of the total or partial carrying of the relevant amounts from the previous period.

Relationships between parties recorded in the database

- CCR code, database details and global risk position of the persons in favour of whom the reported joint account released any guarantees (guaranteed parties)⁴³;
- CCR code, database details and global risk position of the persons whose debts have been transferred by the reported joint account within the context of revolving transactions (transferred persons)⁴⁴;
- CCR code and database details of the persons who, within the context of revolving transactions, transferred any debts held in the name of the reported joint account (transferors)⁴⁵;
- CCR code, database details and global risk position of the individual joint account holders⁴⁶;
- CCR code and global risk position of the other joint accounts of which the joint account holders are part⁴⁷;
- CCR code and details of the partnerships of which the joint account holders are members⁴⁸.

⁴³ If the guaranteed person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

⁴⁴ If the transferred person is a joint account, the CCR codes and database details of the other joint account holders are also provided.

⁴⁵ If the transferring party is a joint account, the CCR codes and database details of the other joint account holders are also provided.

⁴⁶ Only if any amount is reported in the name of the joint obligation.

⁴⁷ only if any amount is reported in the name of the joint obligation.

⁴⁸ Only if any amount is reported in the name of the joint obligation.

ANNEX F – CERTIFICATION LETTER

(NAME OF THE INTERMEDIARY)

To:

Banca Centrale della Repubblica di
San Marino

Via del Voltone, n. 120

47890 SAN MARINO

(date)

With this notice we hereby certify that the reports transmitted by this reporting intermediary to the Central Bank pursuant to the instructions currently in force governing the centralised risk service, are based on the data resulting from the corporate accounting.

The above-mentioned reports result from the implementation of data-processing procedures approved by the corporate bodies.

Specifically, it should be noted that, in order to ensure the required consistency of the data reported with the accounting data, specific tools of internal control have been prepared that also provide for the information to be viewed by the corporate officers.

Please note that the contents of this communication were brought to the attention of the Board of Directors.

(reporting intermediary)

The Chairman of the Board of Directors

The Chairman of the Board of Statutory Auditors

The Head of the Executive Structure

ANNEX G – CUSTOMER CLASSIFICATION CRITERIA

G1. GENERAL CRITERIA

G1.1. Introduction

The business sector classification of the customers referred to in this annex is compliant with the definitions and nomenclatures used in the European System of National and Regional Accounts⁴⁹.

The SEC (or ESA - European System of Accounts), which represents the standard as regards to the transmission of national accounting data to all international organisations, is comprised mainly of:

- a) the accounts by institutional sector that describe, in a systemic manner, the different stages of the economic process (production, formation, distribution, reallocation of income, financial and non-financial accumulation). They also include the balance sheet accounts aimed at describing the stocks of assets, liabilities and net equity at the beginning and at the end of the accounting period. The structuring into sectors makes it possible to group the institutional units (for the concept of institutional unit reference should be made to the paragraph below) based on their main functions as well as on their behaviours and targets;
- b) the framework of interconnections between economic operators and the accounts divided by branch of business, that provide a more detailed description of the production process and of the flows of goods and services.

The adoption of a customer classification that reflects the structure of SEC has a twofold target:

- to ensure the international comparability of the data, a factor that plays an essential role when analysing the statistics of different countries;
- to facilitate their implementation by the banking and financial intermediaries, the majority of which already use these classifications within the scope of the respective corporate information systems. For this purpose, the database attributes “Customer classification: sub-group” and “Customer classification: group”, provided for in the data set of the database of the Central Credit Register managed by the Central Bank of the Republic of San Marino, shall, as regards to natural persons and persons other than natural persons residing in Italy, continue to be filled in using the classifications provided for the residents of San Marino⁵⁰. This is due to the higher level of details compared to the classifications otherwise adopted for the sub-sectors/sub-groups related to the persons included in the Sector “Rest of the World”.

Consequently, some classifications which are in any case provided for resident persons, will not be applicable to the institutional units resident in San Marino due to the different structure

⁴⁹ The structure of SEC 2010 is in line with the worldwide guidelines as regards to national accounting as presented in the System of national accounts 2008 (SCN 2008).

⁵⁰ As regards to persons resident in Italy, for the purposes of the classification of persons other than natural persons, reference should be made to their inclusion, if any, within the lists prepared by ISTAT and available on the web site www.istat.it.

of the Public Administrations and to the different regulation of the reserved activities. In no event the abstract inclusion of some types of financial intermediaries for classification purposes may legitimise their operations in San Marino, since only the sector supervision regulations from time to time in force are applicable.

G1.2. Institutional unit

The statistical unit at the base of the classification system just described is the institutional unit, which represents the elementary economic decision-making centre, characterised by decision-making independence in the exercise of its main function, as well as by the possession of a complete set of accounts or by the possibility, from an economic and legal perspective, to prepare a complete set of accounts where required.

A unit is provided with decision-making independence if:

- a) it is fully entitled to own goods or assets and, thus, it is able to exchange the ownership of such goods and assets through transactions carried out with other institutional units;
- b) it is able to make decisions of an economic nature and to exercise the business for which it is directly responsible;
- c) it can assume, in its own name, commitments and execute agreements.

In light of the aforementioned criteria, the following are considered as institutional units:

- a) private and public corporations;
- b) cooperative companies;
- c) public producers with legal personality by virtue of a specific regulation;
- d) not-for-profit organisations with legal personality;
- e) public administrative entities;
- f) quasi-corporations, meaning the organisations without legal personality that have a complete set of accounts and, conventionally, decision-making independence, since their economic and financial activities are separate from those of the owners;
- g) households, conventionally considered as institutional units even though they have no complete set of accounts.

G1.3. Uniqueness of the classification

The classification of the institutional units - identified on the basis of the criteria expressed in the previous paragraph - should be unique, that is to say that it should be based on their main function or activity, regardless of the purposes of the different relationships held with the credit intermediaries and of the actual allocation of the credit.

The following exceptions to this principle are admitted:

- a) the persons who, based on the provisions of the currency regulations, may be considered as “resident” or “non-resident” with reference to the income generation activity, must be classified according to the purposes of the individual accounts held with the intermediaries;
- b) the accounts related to the State treasury service to be open in the name of one “State Treasury” unit, separate from the Central Bank. All issues of national debt certificates and,

generally, the withdrawals and payments at the credit institutions of the funds necessary to the service of the State treasury, must be allocated to this unit.

G1.4. Definition of “quasi-corporations”

As already mentioned in paragraph 1.2 above, the “quasi-corporations” represent organisations with no legal personality that have a complete set of accounts and whose economic and financial activities are separate from those of the owners, meaning that the “de facto” relationship between the production unit and the owners is similar to that existing between a corporation and its shareholders.

“Quasi-corporations” include:

- a) unlimited partnerships and limited partnerships;
- b) ordinary partnerships, de-facto companies, sole proprietorships (i.e. artisans, farmers, small business proprietors, self-employed professionals and, in any case, anyone who runs his/her own business), provided they have a number of members of staff⁵¹ of more than five units or - for financial auxiliaries - if they employ at least one member of staff.

G1.5. Definition of public undertakings

Public undertakings means the institutional units that produce marketable goods and services⁵² and that are public legal entities or are directly or indirectly controlled⁵³ by the State or by another entity of the Public Administration.

G1.6. Consortium member companies: determination of the predominant company

If two or more companies have entered a consortium agreement between them, for the allocation of the relationships with the intermediaries implemented by the consortium reference should be made, for the purpose of identifying the institutional sector and the classification of the business sector of the latter, to the company member of the consortium that may be considered as “predominant” because it shows the highest aggregate amount of assets recognised in the latest financial statements approved.

Any consortium between credit institutions must always be classified in the Sub-group “Banking associations” (code 329).

The foregoing does not apply in case of consortia incorporated in the form of companies. In such cases, the normal customer classification criteria must be followed, i.e. taking into account only the features of the new company, disregarding those of the companies that provided for the incorporation of the consortium.

G1.7. Classification criteria for joint accounts

⁵¹ ‘Member of staff’ means a full-time employee working for the company at year end.

⁵² The proceeds obtained from the sale of goods and services produced must always represent at least 50 percent of the production costs.

⁵³ For the definition of control, reference should be made to the provisions of article 2 of Law No. 165 of 17 November 2005.

If several persons are joint holders of accounts open with the intermediaries, since this represents an independent joint and several relationship between them, they must be considered as a single client, to be classified with reference to the party who, in terms of economic importance, may be considered as "predominant" compared to the others.

G1.8. Classification by institutional sectors

The institutional units are sorted in groups known as institutional sectors, or simply sectors.

The sectors are divided in sub-sectors and sub-groups according to the specific criteria of each sector; this allows a more accurate definition of the economic behaviour of the units. Each institutional unit belongs only to one sector, sub-sector and sub-group.

The classification is shown in details in chapter 2.

G1.9. Business classification

For the classification of the activities performed by the institutional units⁵⁴ reference should be made to the ATECO 2007 business classification published by the Statistics Office⁵⁵.

This classification only affects resident customers classified as non-financial companies (sector 4) and producer households (sub-sector 61).

⁵⁴ Due to the specific information requirements of the statistical and supervisory measurements, which require a unique classification of the counterparties of the credit institutions, the use of the institutional unit as statistical classification unit was preferred, rather than the business unit (i.e. the unit that exercises one activity only, that is to say the individual divisions or departments of an undertaking or institution).

⁵⁵ The documentation related to the ATECO codes is available on the internet website of the Statistics Office at <http://www.statistica.sm/on-line/home/classificazioni.html>

G2. BUSINESS SECTORS

G2.1. Introduction

Under this classification, customers are broken down in the following seven sectors:

- a) Public Administrations;
- b) Financial companies;
- c) Non-financial companies;
- d) Households;
- e) Not-for-profit institutions servicing households;
- f) Rest of the world;
- g) Non-classifiable and not classified units.

Each sector is structured in sub-sectors and sub-groups.

The institutional units belonging to the sectors “Public Administrations”, “Financial companies”, “Non-financial companies”, “Households”, “Not-for-profit institutions servicing households” and “Non-classifiable and not classified units” represent resident customers. Ordinary resident customers are comprised of the same group with the exclusion from the “Financial companies” of the sub-sectors “Central banking authorities” (code 030), “Other monetary financial institutions”: banks (code 024), “Other monetary financial institutions: monetary mutual investment funds” (code 021) and “Other monetary financial institutions: other intermediaries” (code 035).

G2.2. Sector: PUBLIC ADMINISTRATIONS (code 001)

This sector includes all institutional units that act as producers of non-marketable goods and services intended to meet collective and individual needs (the main resources of such units are comprised mostly of mandatory payments made by units of other sectors), or that provide a reallocation of the country’s income and wealth.

The institutional units must be classified in this sector if in possession of the following features:

- a) the unit must be held (meaning, under the control of) the organisations of the public administration in their role as central or local government organisations, or as institutions already classified in the sector;
- b) as a producer, the unit must primarily perform activities for the production of non-marketable services. Public undertakings of the sector “Non-financial companies” are excluded;
- c) if the unit is a not-for-profit institution, besides being under the control of persons belonging to the Public Administrations, it must also be funded mainly by the latter with non-recoverable payments that are not contributions granted to the products;
- d) as regards to entities that perform social security activities, public control means the ability of the Public Administration to set or approve the levels of the contributions and services; additionally, the insured persons are required to

participate to the regime and pay contributions by virtue of legal or regulatory provisions⁵⁶.

Sub-sector: CENTRAL ADMINISTRATIONS (code 016)

The sub-sector “Central Administrations” is comprised of all administrative bodies of the State and the other central entities whose jurisdiction usually extends to the entire territory, with the exclusion of central social security and assistance. The sub-sector also includes not-for-profit institutions with jurisdiction over the entire territory, under the control of, and mainly funded by, central administrations.

This sub-sector is also comprised of entities that, even though they are active in a limited territory, may be considered as belonging to the scope of the activities of the State, because the tasks performed have, in any case, a general interest, and because the entities in question strictly depend from an entity of the Central Administration, by virtue of an organic relationship, being subject to the directions of the entity or supervised by the latter.

Sub-group: *State Administration and Constitutional Organisations* (code 102)

The Most Excellent Chamber belongs to this Sub-group.

Sub-group: *State Treasury* (code 100)

This sub-group must be used to categorise the Central Bank in all cases where the latter acts as “management of the State Treasury”. Specifically, this case occurs, inter alia, with the deposit of sums necessary to the regular service of the State Treasury and the issue of national debt certificates.

Sub-group: *Entities producing economic services and services for the regulation of the economic activities* (code 165)

This sub-group includes the entities producing economic services (such as the State Autonomous Authority for Public Services – A.A.S.S.), the entities for the regulation of economic activities, the entities structured as associations and the independent administrative authorities.

Sub-group: *Entities producing welfare, recreational and cultural services* (code 166)

This sub-group is comprised of entities producing welfare and cultural services, sports federations, musical institutions and concert organisations.

Sub-group: *Research entities* (code 167)

This sub-group includes research entities and institutions, experimental stations for the industry and the experimental institutions for animal disease prevention.

Sub-sector: LOCAL ADMINISTRATIONS (code 017)

⁵⁶ In case of institutional units resident in Italy, Public Administrations also consist of those included in the list published on a yearly basis by ISTAT and available on www.istat.it.

The sub-sector “Local Administrations” is comprised of public entities whose jurisdiction extends to only part the territory, with the exclusion of local representatives of social security and assistance entities. It also includes not-for-profit institutions under the control of, and mainly funded by, local administrations whose jurisdiction is limited to the territory of such administrations.

Sub-group: *Regional Administrations* (code 120)

Sub-group: *Provincial Administration and metropolitan cities* (code 121)

Sub-group: *Municipalities and unions of municipalities* (code 173)

This sub-group includes the “Giunta di Castello”.

Sub-group: *Entities producing health care services* (code 174)

Sub-group: *Other entities producing health care services* (code 175)

Sub-group: *Entities producing economic services and services for the regulation of the economic activities* (code 176).

Sub-group: *Entities producing welfare, recreational and cultural services* (code 177)

This sub-group includes universities and public university institutions, inter-university research consortia, entities in support of the right to study.

Sub-group: *Other local administrations* (code 178)

Sub-sector: SOCIAL SECURITY AND ASSISTANCE ENTITIES (code 019)

The sub-sector “Social security and assistance entities” is comprised of all institutional units, both central and local, whose main activity consists in the delivery of social services, and for which the following conditions apply:

- a) by virtue of legal or regulatory provisions, certain groups of the population are required to adopt the social assistance scheme or to pay contributions;
- b) the Public Administrations are responsible for managing the institution as regards to the setting or approval of the contributions and benefits, regardless of their role as supervisory body or employer.

Normally, there is no direct link between the amount of the contribution paid by an individual and the risk to which such individual is exposed.

Sub-group: *Social security and assistance entities* (code 191)

The Social Security Institution is comprised in this sub-group.

G2.3. Sector: FINANCIAL COMPANIES (code 023)

This sector includes the institutional units that carry out financial mediation activities and/or auxiliary financial activities. Financial intermediaries means any person that, bearing its own risk, directs funds from the sectors with excess of resources to those with a deficit, or that transforms individual risks in collective risks. The financial auxiliaries perform their activities without assuming any risk.

The institutional units included in this sector are the following:

- a) public or private corporations;
- b) cooperative companies;
- c) public producers with legal personality by virtue of a specific regulation;
- d) the not-for-profit institutions with legal personality, servicing financial companies;
- e) operative holdings when the main function of all or of the majority of the affiliates consists, as in the case of the financial companies, in providing financial mediation services and/or in exercising auxiliary financial activities; such operative holdings are classified as financial auxiliaries;
- f) holding companies whose main role consists in holding the assets of a group of affiliates; the group may be comprised of financial or non-financial companies: this does not affect the classification of the holding company as captive financial institution;
- g) special purpose vehicles whose main function consists in providing financial services;
- h) mutual investment funds conventionally regarded as institutional units separate from the financial companies by which they are managed;
- i) financial quasi-corporations.

Persons that carry out financial mediation activities are, conventionally, always included under the financial companies, even if they do not possess the requirements to be considered as quasi-corporations. For such persons the major relevance, as regards to the general principles, is represented by the fact that the activity performed is subject, although with different levels of intensity, to forms of regulation and control.

Financial auxiliaries (brokers, currency exchange offices, financial promoters, etc.), that are not organised as companies, must be classified under “Financial companies” when they have at least one member of staff. Otherwise, such units must be allocated to the sub-sector of “Producer households”. Those organised as companies are always included in the sector “Financial companies”.

Sub-sector: CENTRAL BANKING AUTHORITIES (code 030)

Sub-group: *Central Bank of the Republic of San Marino* (code 300)

Sub-sector: OTHER MONETARY FINANCIAL INSTITUTIONS: BANKS (code 024)

This sub-sector includes the authorised banks in San Marino, branches of Community banks in the territory of the Republic required to register in the Register of Authorised Entities, referred to in the CBSM Regulation No. 2006-01.

Sub-group: *Banking system* (code 245)

The details of the relevant sub-sector apply.

**Sub-sector: OTHER MONETARY FINANCIAL INSTITUTIONS:
MONETARY MUTUAL INVESTMENT FUNDS (code 021)**

This sub-sector is comprised of open-end mutual investment funds whose capital is invested in short term assets characterised by a high degree of substitutability with cash at banks.

Sub-group: *Monetary mutual investment funds* (code 247)

The details of the relevant sub-sector apply.

**Sub-sector: OTHER MONETARY FINANCIAL INSTITUTIONS: OTHER
INTERMEDIARIES (code 035)**

This sub-sector is comprised of monetary financial intermediaries, other than banks and monetary funds.

Sub-group: *Electronic money institutions* (code 248)

This sub-group includes financial undertakings authorised to perform the reserved activities referred to in letter J) of Annex 1 to Law No. 165 of 17 November 2005.

**Sub-sector: INVESTMENT FUNDS OTHER THAN MONETARY MUTUAL
FUNDS (code 037)**

This sub-sector is comprised of all mutual investment funds whose main activity is the financial mediation, except for those classified in the sub-sector of the monetary mutual funds.

**Sub-group: *Mutual investment funds and Variable capital investment companies
(SICAV)* (code 266)**

This sub-group includes the institutional units whose activities consist in the collective investment of savings in securities.

Sub-group: *Other collective savings investment undertakings* (code 267)

This sub-group includes all institutional units that are not comprised in the previous sub-group but whose main function consists in the collective investment of savings (such as real estate mutual investment funds, investing mainly in the purchase of real estate properties gathered by the funds).

Sub-sector: OTHER FINANCIAL INTERMEDIARIES (code 038)

This sub-sector includes the financial intermediaries (other than insurance companies and pension funds) whose main function consists in providing financial mediation services by means of assumption of liabilities other than in monetary form, deposits and similar instruments (deriving from persons other than monetary financial institutions) and insurance technical reserves.

Sub-group: *Financial vehicle corporations responsible for securitisation transactions (FVC) (code 249)*

This sub-group includes the companies whose main activities satisfy both of the following criteria:

- a) Are aimed at carrying out, or carry out, one or more securitisation transactions, and their structure aims at isolating the payment obligations of the undertaking from those of the transferor, or of the insurance or reinsurance undertaking; and
- b) issue, or are intended to issue, debt securities, other debt instruments, units in securitisation funds and/or derivative financial instruments (hereinafter referred to as “financing instruments”), and/or owns, or may own, in legal or economic terms, assets underlying the issuance of financing instruments that are offered for sale to the public or are sold through direct placements.

Sub-group: *Banking foundations (code 250)*

This sub-group includes the contributing entities referred to in article 1 of Law No. 130 of 29 November 1995.

Sub-group: *Merchant banks (code 257)*

This sub-group includes the institutional units whose main function consists in the performance of the following activities:

- a) consultancy and assistance with issues regarding corporate finance, specifically as regards to the coverage of investment expenditure and costs for the development of the business, also through mergers with other production units;
- b) organisation of the transactions for raising funds as risk capital or as credit, in favour of the undertakings;
- c) acquisition, also through the participation to selling and underwriting syndicates, of bonds and shares (and similar securities) of undertakings; the ownership of such securities shall be on a temporary basis only since its aim is to obtain access in the official capital markets for the issuers.

Sub-group: *Leasing companies (code 258)*

This sub-group includes the institutional units whose main activity consists in the performance of “financial leasing” activities. The financial leasing means when the leasing of an asset is realised indirectly, that is to say with the intervention of a company that assumes the risks connected with the credit granted to the lessee.

Sub-group: *Factoring companies* (code 259)

This sub-group includes the institutional units whose main activities are the acquisition of credits of other undertakings, resulting from supplies of goods or services, the assumption of the commitment for the collection and, possibly, the advance payment, in whole or in part, of the amounts of such credits.

Sub-group: *Consumer credit companies* (code 263)

This sub-group includes the financial intermediaries whose main activities consist in granting credit, in the form of a deferred payment, funding or other similar financial facilities in favour of natural persons acting for purposes unrelated to any business or professional activity that this person might perform (consumer).

Sub-group: *Investment companies* (code 264)

This sub-group includes the companies, other than banks and financial companies, authorised to provide the investment services referred to in the Law 165/2005.

Sub-group: *Fiduciary management companies* (code 265)

Sub-group: *Other financial companies* (code 268)

This sub-group includes all financial intermediaries that cannot be allocated specifically to one of the aforementioned sub-groups.

Sub-sector: FINANCIAL AUXILIARIES (code 039)

This sub-sector includes the institutional units whose main function consists in exercising auxiliary financial activities, i.e. activities that are strictly connected to the financial mediation although they do not represent financial mediation themselves.

Sub-group: *Fund management companies* (code 270)

This sub-group includes the fund management companies (open and closed end mutual funds, pension funds, real estate funds, etc.), with legal personality, whose activities consist in the creation and management of funds.

Sub-group: *Fiduciary administration companies* (code 273)

This sub-group includes fiduciary administration companies authorised to perform the activities referred to in letter C) of Annex 1 to Law No. 165/2005.

Sub-group: *Entities in charge of the functioning of the market* (code 275)

This sub-group includes the institutional units, even if not incorporated as companies but having decision making independence and a full set of accounts, which perform activities mainly aimed at the regular and efficient functioning of the financial markets; such activities may refer to the operational management, the liquidation or the settlement of the values exchanged, as

well as the custody of the latter.

Sub-group: *Banking associations* (code 329)

This sub-group includes the institutional units, mostly not union-related, created between banks for the purpose of studying and resolving, in the interest of their members, any problems of a technical, administrative, accounting nature, etc.

Sub-group: *Associations between financial and insurance undertakings* (code 278)

This sub-group includes the institutional units, mostly not union-related, created between financial and insurance undertakings for the purpose of studying and resolving, in the interest of their members, any problems of a technical, administrative, accounting nature, etc.

Sub-group: *Central supervisory authorities* (code 279)

This sub-group includes the institutional units (excluding the Central Bank) whose main function consists in supervising financial intermediaries and financial markets.

Sub-group: *Insurance and reinsurance intermediaries* (code 280)

This sub-group includes the institutional units subject to the supervision of the Central Bank and entered in the specific register of the companies that perform insurance mediation activities, held by the Central Bank pursuant to Law 165/2005.

If the aforementioned units do not have at least one member of staff, they must be classified under “Producer households”.

Sub-group: *Financial promoters* (code 283)

This sub-group includes natural persons who professionally exercise cold-calling activities for financial products, entered in the specific register held, pursuant to Law 165/2005, by the Central Bank. They are registered in the Registers held by a Public Authority in charge of their supervision.

If the aforementioned persons do not have at least one member of staff, they must be classified under “Producer households”.

Sub-group: *Other financial auxiliaries* (code 284)

This sub-group includes all other financial auxiliaries that cannot be allocated specifically to one of the aforementioned sub-groups. If the aforementioned persons are not organised as companies and do not have at least one member of staff, they must be classified under “Producer households”.

Sub-group: *Financial operative holdings* (code 285)

This sub-group includes the operative holdings that control and manage companies active mainly within the context of the financial mediation services and/or in that of the auxiliary financial activities.

Sub-sector: LENDERS AND CAPTIVE FINANCIAL INSTITUTIONS (code 053)

This sub-sector includes all financial companies and quasi-corporations that do not perform any financial mediation service, nor exercise auxiliary financial activities, and whose assets or liabilities are mostly not traded in open markets.

Sub-group: *Holding companies of financial groups (code 287)*

This sub-group includes the holding companies whose main purpose consists in holding the assets of a group of affiliates active mainly within the context of the financial mediation services and/or in that of the auxiliary financial activities.

Sub-group: *Holding companies of non-financial groups (code 288)*

This sub-group includes the holding companies whose main purpose consists in holding the assets of a group of affiliates whose the main activities consist in the production of non-financial goods and services

Sub-group: *Captive institutions other than Holding companies (code 289)*

The details of the relevant sub-sector apply.

Sub-sector: INSURANCE UNDERTAKINGS (code 054)

This sub-sector includes financial undertakings that perform the activities referred to in letter G) of Annex 1 to Law No. 165/2005.

Sub-group: *Insurance undertakings (code 294)*

The details of the relevant sub-sector apply.

Sub-sector: PENSION FUNDS (code 056)

This sub-sector includes the institutional units whose main activity is the financial mediation following the pooling of risks and needs of the insureds (social insurance). Pension funds, just as the social insurance systems, provide income to pensioners and, often, benefits in case of death or invalidity.

Sub-group: *Pension funds (code 295)*

This sub-group includes the institutional units that collectively cover the risks and social needs of uniform groups of insureds.

These units, intended only for supplementary pension purposes, are subject to regulation and control. FONDISS is included in this sub-group.

Sub-group: *Other welfare funds* (code 296)

This sub-group includes all supplementary social security and welfare funds of the employees, not yet transformed in the aforementioned pension funds.

G2.4. Sector: NON-FINANCIAL COMPANIES (code 004)

This sector includes the institutional units that produce marketable non-financial goods and services. Their activity is separate from that of the owners.

The institutional units included in this sector are the following:

- a) private and public corporations;
- b) cooperative companies;
- c) consortia for the coordination of production and trades;
- d) public undertakings with legal personality;
- e) not-for profit institutions and associations servicing non-financial companies, with legal personality, acting as producers of marketable goods and services, whose main function consists in producing non-financial goods and services;
- f) operative holdings that control and manage companies whose main activity is the production of non-financial goods and services;
- g) special purpose vehicles whose main function consists in providing non-financial goods or services;
- h) non-financial quasi-corporations.

Sub-sector: PUBLIC UNDERTAKINGS (code 057)

This sub-sector includes producers of non-financial goods and assets that have the features referred to in paragraph 1.5.

Sub-group: *Undertakings under the control of Central Administrations* (code 475)

This sub-group includes the institutional units that carry out non-financial activities and are under the control of Central Administrations.

Sub-group: *Undertakings under the control of Local Administrations* (code 476)

This sub-group includes the institutional units that carry out non-financial activities and are under the control of Local Administrations.

Sub-group: *Undertakings under the control of other Public Administrations* (code 477)

This sub-group includes the institutional units that carry out non-financial activities and are under the control of persons other than Central or Local Administrations.

Sub-sector: PRIVATE UNDERTAKINGS (code 058)

This sub-sector includes the non-financial companies not controlled by Public Administrations. It also includes consortia between producer undertakings for the coordination of the production and trade, as well as those public companies that do not possess the necessary requirements to be included under State, regional or local companies.

Sub-group: *Production undertakings* (code 430)

This sub-group includes corporations, cooperative companies that produce non-financial goods or assets.

Sub-group: *Private operative holdings* (code 432)

This sub-group includes private operative holdings that control and manage companies whose main activity is the production of non-financial goods and services.

Sub-sector: ASSOCIATIONS BETWEEN NON-FINANCIAL UNDERTAKINGS (code 045)

This sub-sector includes the associations, mostly not union-related, created for the purpose of studying and resolving, in the interest of their members, any problems of a technical, administrative and accounting nature.

Sub-group: *Associations between non-financial undertakings* (code 450)

As regards to the definition of this sub-group, the same details provided for the namesake sub-sector apply.

Sub-sector: CRAFT NON-FINANCIAL QUASI-CORPORATIONS (code 048)

This sub-sector includes the persons with features of a quasi-corporation that perform activities defined as craft business pursuant to Law No. 10/1990.

Sub-group: *Units or companies with 20 or more members of staff* (code 480)

This sub-group includes unlimited partnerships, limited partnerships, de-facto companies, ordinary partnerships and sole proprietorships that perform craft activities and have a number of members of staff equal to or higher than twenty.

Sub-group: *Units or companies with more than 5 and less than 20 members of staff* (code 481)

This sub-group includes de-facto companies, ordinary partnerships and sole proprietorships that perform craft activities and have a number of members of staff of more than five and less than twenty.

Sub-group: *Companies with less than 20 members of staff* (code 482)

This sub-group includes unlimited partnerships and limited partnerships that perform craft activities and have less than twenty members of staff.

Sub-sector: OTHER NON-FINANCIAL QUASI-CORPORATIONS (code 049)

This sub-sector includes the persons with features of a quasi-corporation that perform activities other than craft businesses.

Sub-group: *Units or companies with 20 or more members of staff* (code 490)

This sub-group includes unlimited partnerships, limited partnerships, de-facto companies, ordinary partnerships and sole proprietorships that perform activities other than craft activities and have a number of members of staff equal to or higher than twenty.

Sub-group: *Units or companies with more than 5 and less than 20 members of staff* (code 491)

This sub-group includes de-facto companies, ordinary partnerships and sole proprietorships that perform activities other than craft activities and have a number of members of staff of more than five and less than twenty.

Sub-group: *Companies with less than 20 members of staff* (code 492)

This sub-group includes unlimited partnerships and limited partnerships that perform activities other than craft activities and have less than twenty members of staff.

G2.5. Sector: HOUSEHOLDS (code 006)

This sector includes individuals or groups of individuals in their function as *consumers* or *producers* of goods and services, provided that, in the second case, their economic and financial activities are not such as to represent a quasi-corporation.

The main resources of these units come from employment income, capital income, transfers made from other sectors, proceeds from the sale of production or income allocated to them for products intended for personal use.

The Households sector includes:

- a) individuals or group of individuals whose main function is consumption;
- b) ordinary partnerships, de-facto companies and sole proprietorships whose main function is the production of marketable non-financial goods and services, with up to five members of staff;
- c) financial auxiliaries not organised as companies, if they have no members of staff;
- d) the not-for-profit organisations servicing households and with no legal personality, or with legal personality but with limited economic relevance; this latter category applies to entities with no members of staff. The main resources of such organisations come from the voluntary contributions of the households as consumers, and from capital income.

Sub-sector: PRODUCER HOUSEHOLDS (code 061)

This Sub-sector includes ordinary partnerships, de-facto companies and sole proprietorships whose main function consists in the production of goods and assets, with the restrictions mentioned above.

Sub-group: *Artisans* (code 614)

This sub-group includes the persons with the above-mentioned features that perform craft businesses pursuant to Law No. 10/1990 as subsequently amended and supplemented.

Sub-group: *Other producer households* (code 615)

This sub-group includes persons with the features defined in the description of the sector, which perform an activity other than craft businesses. This sub-group includes financial auxiliaries with no member of staff employed.

Sub-sector: CONSUMER HOUSEHOLDS (code 060)

This sub-sector includes individuals or groups of individuals whose main function is consumption and thus, specifically, manual workers, non-manual workers, employees, pensioners, income beneficiaries, beneficiaries of other transfers and generally whoever cannot be considered entrepreneur (or small business proprietors). This sub-sector also consists of private social institutions with limited economic relevance.

Sub-group: *Consumer households* (code 600)

As regards to the definition of the contents of this sub-group, the same considerations made for the relevant sub-sector apply.

G2.6. Sector: NOT-FOR-PROFIT INSTITUTIONS SERVICING HOUSEHOLDS (code 008)

This sector includes all not-for-profit institutional units servicing households, with legal personality or with economic relevance, that produce non-marketable goods and services. The main resources of the units included in this sector, in addition to those resulting from

occasional sales, come from voluntary contributions in cash or in kind paid by the households in their function as consumers, from payments made by the Public Administrations and capital income.

Conventionally, the following institutions also fall in this sector, even if the conditions mentioned above are not met:

- a) ecclesiastical and religious bodies and institutions;
- b) political parties and auxiliary organisations, such as youth organisations associated to a political party;
- c) trade unions and associations with mostly trade union-related purposes;
- d) professional organisations and bodies.

The following are excluded from this sector:

- a) private social institutions with little economic relevance, i.e. temporary institutions or institutions with no member of staff employed, whose operations are equivalent to those of the households;
- b) private social institutions with legal personality producing marketable goods and assets, whose operations are equivalent to those of financial and non-financial companies (such as the employers organisations, trade associations and economic organisations);
- c) social institutions controlled and mainly funded by Public Administrations, whose operations are equivalent to those of the Public Administration.

**Sub-sector: NOT-FOR-PROFIT INSTITUTIONS SERVICING
HOUSEHOLDS (code 051)**

The considerations made as regards to the relevant sector apply.

Sub-group: *Ecclesiastical and religious bodies and institutions* (code 500)

This sub-group includes the institutions for clergy sustenance, parishes, non-parish churches, dioceses, religious orders, secular institutions and, generally, the ecclesiastical institutions and cult entities, also non-Catholic, that do not perform any businesses, nor have as main institutional purpose the assistance to the poor or the provision of free laical or religious education.

Sub-group: *Institutions and entities with assistance, charity, education, cultural, trade union, political, sport, recreational and similar purposes* (code 501)

This sub-group includes:

- a) charity and assistance associations, including those servicing non-resident units (such as non-governmental organisations), that perform their activities in favour of people in need other than their members;
- b) organisations for the assistance to children, elderly people, single mothers and their children and to specific categories of people not fully self-sufficient (such as nursery schools, communities for drug addicts and alcoholics, institutions for physically or

- mentally disabled people);
- c) free or nearly free educational organisations, including those with a religious nature, that perform their activities in favour of people other than their members;
 - d) organisations that perform production activities of health care services for free or nearly for free, mainly outside of any agreement with the Social Security Institution;
 - e) organisations that aim at disseminating culture, promoting researches, organising scientific meetings, awarding literary prizes, promoting cultural exchanges with foreign countries;
 - f) organisations managing libraries, reading rooms, museums, or that are responsible for the maintenance of historical places or monuments;
 - g) organisations that manage botanical gardens, natural reserves, or that perform activities for the protection of the environment;
 - h) political parties and auxiliary organisations, such as youth organisations associated to a political party;
 - i) trade unions and associations with mostly trade union-related purposes;
 - j) professional organisations and bodies;
 - k) consumers' associations, institutions for advice and social assistance, organisations and movements that support a cause or issue of collective interest, organisations aimed at enhancing life conditions of specific groups of people, such as ethnic minorities and groups, with no social service purposes;
 - l) amateur sport associations whose services are reserved to their members and whose main activity does not involve the management of sports facilities for profit;
 - m) institutions performing recreational activities in favour of their members without profit;
 - n) institutions aimed at promoting social relationships, youth associations.

G2.7. Sector: REST OF THE WORLD (code 007)

The sector “Rest of the World” is comprised of a group of units that are not characterised by one function or by any main resources; it includes non-resident units to the extent that they carry out transactions or, in any case, hold economic relationships, with resident institutional units. The accounts of this sector summarise the economic relationships existing between the economy of the country and the rest of the world.

For the purposes of this annex, as specified in paragraph 1.1, the sector Rest of the World includes persons not resident in San Marino nor in Italy.

As regards to the classification in sub-sectors, the same criterion used for breaking down in sectors the group of “Resident” operators was used.

Specifically, the content of the sub-sectors “Public Administrations”, Non-financial companies”, “Households”, “Not-for-profit institutions servicing households” is the same as that of the namesake sectors of the group “Residents”. The sub-sector “Monetary financial institutions” corresponds, and consolidates the contents thereof, to the sub-sector “Central banking authorities” and to the three sub-sectors which include the “Other monetary financial institutions”. The sub-sector “Other financial companies” corresponds to the sub-sectors “Other financial intermediaries”, “Financial auxiliaries”, “Investment funds other than monetary mutual funds”, “Lenders and captive financial institutions”, “Insurance

undertakings” and “Pension funds”. The sub-sector “International organisations and other institutions” has one specific feature, it is comprised of International Organisations and foreign Representatives in San Marino.

The structuring in sub-groups reflects, where possible, the classification in Sub-sectors of the group “Residents”. For most of the sub-groups, a distinction is made between countries of the European Union (EU) members of the Euro area, countries of the European Union non-members of the Euro area and countries that are not members of the European Union.

As regards to EU countries, the complete list of the monetary financial institutions and non-monetary investment funds is available on the web site of the European Central Bank, www.ecb.europa.eu, following the path Home > Statistics > Monetary and financial statistics > Lists of financial institutions.

Sub-sector: PUBLIC ADMINISTRATIONS (code 082)

This sub-sector is structured as follows:

- Sub-group: *Central Administrations of EU countries members of the Euro area* (code 704)
- Sub-group: *Central Administrations of EU countries non-members of the Euro area* (code 705)
- Sub-group: *Administrations of federated states of EU countries members of the Euro area* (code 706)
- Sub-group: *Administrations of federated states of EU countries non-members of the Euro area* (code 707)
- Sub-group: *Local Administrations of EU countries members of the Euro area* (code 708)
- Sub-group: *Local Administrations of EU countries non-members of the Euro area* (code 709)
- Sub-group: *Social security and assistance entities of EU countries members of the Euro area* (code 713)
- Sub-group: *Social security and assistance entities of EU countries non-members of the Euro area* (code 714)
- Sub-group: *Public Administrations and social security and welfare entities of non-EU countries* (code 715)

Sub-sector: MONETARY FINANCIAL INSTITUTIONS (code 083)

This sub-sector is comprised of the following sub-groups:

- Sub-group: *Central banking authorities of EU countries members of the Euro area* (code 724)

The European Central Bank is excluded.

- Sub-group: *Central banking authorities of EU countries non-members of the Euro area* (code 725)

The European Central Bank is excluded.

- Sub-group: *Central banking authorities of non-EU countries* (code 726)
- Sub-group: *Banking system of EU countries members of the Euro area* (code 727)
- Sub-group: *Banking system of EU countries non-members of the Euro area* (code 728)
- Sub-group: *Banking system of non-EU countries* (code 729)
- Sub-group: *Monetary mutual funds of EU countries members of the Euro area* (code 753)

- Sub-group: *Monetary mutual funds of EU countries non-members of the Euro area (code 754)*
- Sub-group: *Monetary mutual funds of non-EU countries (code 755)*
- Sub-group: *Other monetary financial institutions of EU countries members of the Euro area (code 756)*
- Sub-group: *Other monetary financial institutions of EU countries non-members of the Euro area (code 763)*
- Sub-group: *Other monetary financial institutions of non-EU countries (code 764)*

As regards to EU countries, the complete list of the monetary financial institutions is available on the web site of the European Central Bank, www.ecb.europa.eu, following the path Home > Statistics > Monetary and financial statistics > Lists of financial institutions.

Sub-sector: OTHER FINANCIAL COMPANIES (code 084)

This sub-sector is comprised of the following sub-groups:

- Sub-group: *Special purpose vehicles of EU countries members of the Euro area (code 717)*
- Sub-group: *Special purpose vehicles of EU countries non-members of the Euro area (code 718)*
- Sub-group: *Non-monetary mutual funds of EU countries members of the Euro area (code 765)*
- Sub-group: *Non-monetary mutual funds of EU countries non-members of the Euro area (code 766)*
- Sub-group: *Non-monetary mutual funds of non-EU countries (code 767)*
- Sub-group: *Other financial intermediaries of EU countries members of the Euro area (code 776)*
- Sub-group: *Other financial intermediaries of EU countries non-members of the Euro area (code 778)*
- Sub-group: *Insurance undertakings of EU countries members of the Euro area (code 779)*
- Sub-group: *Pension funds of EU countries members of the Euro area (code 782)*
- Sub-group: *Insurance undertakings of EU countries non-members of the Euro area (code 790)*
- Sub-group: *Pension funds of EU countries non-members of the Euro area (code 800)*
- Sub-group: *Financial auxiliaries of EU countries members of the Euro area (code 746)*
- Sub-group: *Financial auxiliaries of EU countries non-members of the Euro area (code 747)*
- Sub-group: *Other financial companies of non-EU countries (code 801)*

As regards to EU countries, the complete list of non-monetary investment funds is available on the web site of the European Central Bank, www.ecb.europa.eu, following the path Home > Statistics > Monetary and financial statistics > Lists of financial institutions.

Sub-sector: NON-FINANCIAL COMPANIES (code 085)

This sub-sector is comprised of the following sub-groups:

- Sub-group: *Non-financial companies of EU countries members of the Euro area (code 757)*
- Sub-group: *Non-financial companies of EU countries non-members of the Euro area (code 758)*
- Sub-group: *Non-financial companies of non-EU countries (code 759)*

Sub-sector: HOUSEHOLDS (code 086)

This sub-sector is comprised of the following sub-groups:

- Sub-group: *Producer households of EU countries members of the Euro area* (code 768)
- Sub-group: *Producer households of EU countries non-members of the Euro area* (code 769)
- Sub-group: *Producer households of non-EU countries* (code 772)
- Sub-group: *Consumer households of EU countries members of the Euro area* (code 773)
- Sub-group: *Consumer households of EU countries non-members of the Euro area* (code 774)
- Sub-group: *Consumer households of non-EU countries* (code 775)

**Sub-sector: NOT-FOR-PROFIT INSTITUTIONS SERVICING HOUSEHOLDS
(code 087)**

This sub-sector is comprised of the following sub-groups:

- Sub-group: *Not-for-profit institutions servicing households of EU countries members of the Euro area* (code 783)
- Sub-group: *Not-for-profit institutions servicing households of EU countries non-members of the Euro area* (code 784)
- Sub-group: *Not-for-profit institutions servicing households of non-EU countries.* (code 785)

**Sub-sector: INTERNATIONAL ORGANISATIONS AND OTHER INSTITUTIONS
(code 088)**

This sub-sector is comprised of the following sub-groups:

- Sub-group: *European Central Bank* (code 791)
- Sub-group: *Institutions of the European Union* (code 770)
- Sub-group: *Other organisations* (code 771)
- Sub-group: *Foreign representatives* (code 794)

G2.8. Sector: NON-CLASSIFIABLE AND NOT CLASSIFIED UNITS (code 099)

This sector is comprised of the owners of bearer instruments and, on a temporary basis, persons for whom the intermediary failed to identify the appropriate classification and required directions from the Central Bank on this issue.

Sub-sector: NON-CLASSIFIABLE AND NOT CLASSIFIED UNITS (code 055)

The details of the relevant sector apply.

- Sub-group: *Non-classifiable units* (code 551)

This sub-group is comprised of the units for which the intermediary is not in possession of the information required for the economic classification (such as, holders of bearer instruments the identity of whom is unknown).

Sub-group: *Not classified units* (code 552)

This sub-group is comprised of persons for whom the intermediary failed to identify the appropriate classification and required directions from the Central Credit Register of San Marino on this issue.

G3. CLASSIFICATION MODEL BY SECTORS

		Code Number
SECTOR	PUBLIC ADMINISTRATIONS	001
Sub-sector	Central Administrations	016
Sub-group	State Administration and Constitutional Organisations	102
Sub-group	State Treasury	100
Sub-group	Entities producing economic services and services for the regulation of economic activities	165
Sub-group	Entities producing welfare, recreational and cultural services	166
Sub-group	Research entities	167
Sub-sector	Local Administrations	017
Sub-group	Regional Administrations	120
Sub-group	Provincial Administration and metropolitan cities	121
Sub-group	Municipalities and unions of municipalities	173
Sub-group	Entities producing health care services	174
Sub-group	Other entities producing health care services	175
Sub-group	Entities producing economic services and services for the regulation of economic activities	176
Sub-group	Entities producing welfare, recreational and cultural services	177
Sub-group	Other local administrations	178
Sub-sector	Social security and assistance entities	019
Sub-group	Social security and assistance entities	191
SECTOR	FINANCIAL COMPANIES	023
Sub-sector	Central banking authorities	030
Sub-group	Central Bank	300
Sub-sector	Other monetary financial institutions: banks	024
Sub-group	Banking system	245

Sub-sector	Other monetary financial institutions: monetary mutual investment funds	021
Sub-group	Monetary mutual investment funds	247
Sub-sector	Other monetary financial institutions: other intermediaries	035
Sub-group	Electronic money institutions	248
Sub-sector	Investment funds other than monetary mutual funds	037
Sub-group	Mutual investment funds and Variable capital investment companies (Sicav)	266
Sub-group	Other collective savings investment undertakings	267
Sub-sector	Other financial intermediaries	038
Sub-group	Financial vehicle corporations responsible for securitisation transactions (FVC)	249
Sub-group	Banking foundations	250
Sub-group	Merchant banks	257
Sub-group	Leasing companies	258
Sub-group	Factoring companies	259
Sub-group	Consumer credit companies	263
Sub-group	Securities Houses (Società di Intermediazione Mobiliare - SIM)	264
Sub-group	Fiduciary management companies	265
Sub-group	Other financial companies	268
Sub-sector	Financial auxiliaries	039
Sub-group	Fund management companies	270
Sub-group	Fiduciary administration companies	273
Sub-group	Entities in charge of the functioning of the market	275
Sub-group	Banking associations	329
Sub-group	Associations between financial and insurance undertakings	278
Sub-group	Central supervisory authorities	279
Sub-group	Insurance and reinsurance intermediaries	280
Sub-group	Financial promoters	283
Sub-group	Other financial auxiliaries	284
Sub-group	Financial operative holdings	285
Sub-sector	Lenders and captive financial institutions	053
Sub-group	Holding companies of financial groups	287
Sub-group	Holding companies of non-financial groups	288
Sub-group	Captive institutions other than Holding companies	289
Sub-sector	Insurance undertakings	054
Sub-group	Insurance undertakings	294

Sub-sector	Pension funds	056
Sub-group	Pension funds	295
Sub-group	Other welfare funds	296
SECTOR	NON-FINANCIAL COMPANIES	004
Sub-sector	Public undertakings	057
Sub-group	Undertakings under the control of Central Administrations	475
Sub-group	Undertakings under the control of Local Administrations	476
Sub-group	Undertakings under the control of other Public Administrations	477
Sub-sector	Private undertakings	058
Sub-group	Production undertakings	430
Sub-group	Private operative holdings	432
Sub-sector	Associations between non-financial undertakings	045
Sub-group	Associations between non-financial undertakings	450
Sub-sector	Craft non-financial quasi-corporations	048
Sub-group	Units or companies with 20 or more members of staff	480
Sub-group	Units or companies with more than 5 and less than 20 members of staff	481
Sub-group	Companies with less than 20 members of staff	482
Sub-sector	Other non-financial quasi-corporations	049
Sub-group	Units or companies with 20 or more members of staff	490
Sub-group	Units or companies with more than 5 and less than 20 members of staff	491
Sub-group	Companies with less than 20 members of staff	492
SECTOR	HOUSEHOLDS	006
Sub-sector	Producer households	061
Sub-group	Artisans	614
Sub-group	Other producer households	615
Sub-sector	Consumer households	060
Sub-group	Consumer households	600
SECTOR	NOT-FOR-PROFIT INSTITUTIONS SERVING HOUSEHOLDS	008
Sub-sector	Not-for-profit institutions servicing households	051
Sub-group	Ecclesiastical and religious bodies and institutions	500

Sub-group	Institutions and entities with assistance, charity, education, cultural, trade union, political, sport, recreational and similar purposes	501
SECTOR	REST OF THE WORLD	007
Sub-sector	Public Administrations	082
Sub-group	Central Administrations of EU countries members of the Euro area	704
Sub-group	Central Administrations of EU countries non-members of the Euro area	705
Sub-group	Administrations of federated states of EU countries members of the Euro area	706
Sub-group	Administrations of federated states of EU countries non-members of the Euro area	707
Sub-group	Local Administrations of EU countries members of the Euro area	708
Sub-group	Local Administrations of EU countries non-members of the Euro area	709
Sub-group	Social security and assistance entities of EU countries members of the Euro area	713
Sub-group	Social security and assistance entities of EU countries non-members of the Euro area	714
Sub-group	Public Administrations and social security and welfare entities of non-EU countries	715
Sub-sector	Monetary financial institutions	083
Sub-group	Central banking authorities of EU countries members of the Euro area	724
Sub-group	Central banking authorities of EU countries non-members of the Euro area	725
Sub-group	Central banking authorities of non-EU countries	726
Sub-group	Banking system of EU countries members of the Euro area	727
Sub-group	Banking system of EU countries non-members of the Euro area	728
Sub-group	Banking system of non-EU countries	729
Sub-group	Monetary mutual funds of EU countries members of the Euro area	753
Sub-group	Monetary mutual funds of EU countries non-members of the Euro area	754
Sub-group	Monetary mutual funds of non-EU countries	755
Sub-group	Other Monetary Financial Institutions of EU countries members of the Euro area	756
Sub-group	Other Monetary Financial Institutions of EU countries non-members of the Euro area	763
Sub-group	Other Monetary Financial Institutions of non-EU countries	764
Sub-sector	Other financial companies	084
Sub-group	Special purpose vehicles of EU countries members of the Euro area	717
Sub-group	Special purpose vehicles of EU countries non-members of the Euro area	718
Sub-group	Non-monetary mutual funds of EU countries members of the Euro area	765

Sub-group	Non-monetary mutual funds of EU countries non-members of the Euro area	766
Sub-group	Non-monetary mutual funds of non-EU countries	767
Sub-group	Other financial intermediaries of EU countries members of the Euro area	776
Sub-group	Other financial intermediaries of EU countries non-members of the Euro area	778
Sub-group	Insurance undertakings of EU countries members of the Euro area	779
Sub-group	Pension funds of EU countries members of the Euro area	782
Sub-group	Insurance undertakings of EU countries non-members of the Euro area	790
Sub-group	Pension funds of EU countries non-members of the Euro area	800
Sub-group	Financial auxiliaries of EU countries members of the Euro area	746
Sub-group	Financial auxiliaries of EU countries non-members of the Euro area	747
Sub-group	Other financial companies of non-EU countries	801
Sub-sector	Non-financial companies	085
Sub-group	Non-financial companies of EU countries members of the Euro area	757
Sub-group	Non-financial companies of EU countries non-members of the Euro area	758
Sub-group	Non-financial companies of non-EU countries	759
Sub-sector	Households	086
Sub-group	Producer households of EU countries members of the Euro area	768
Sub-group	Producer households of EU countries non-members of the Euro area	769
Sub-group	Producer households of non-EU countries	772
Sub-group	consumer households of EU countries members of the Euro area	773
Sub-group	Consumer households of EU countries non-members of the Euro area	774
Sub-group	Consumer households of non-EU countries	775
Sub-sector	Not-for-profit institutions servicing households	087
Sub-group	Not-for-profit institutions servicing households of EU countries members of the Euro area	783
Sub-group	Not-for-profit institutions servicing households of EU countries non-members of the Euro area	784
Sub-group	Not-for-profit institutions servicing households of non-EU countries	785
Sub-sector	International organisations and other institutions	088
Sub-group	European Central Bank	791
Sub-group	Institutions of the European Union	770
Sub-group	Other organisations	771

Sub-group	Foreign representatives	794
SECTOR	NON-CLASSIFIABLE AND NOT CLASSIFIED UNITS	099
Sub-sector	Non-classifiable and not classified units	055
Sub-group	Non-classifiable units	551
Sub-group	Not classified units	552