



EUROPEAN CENTRAL BANK

EUROSYSTEM

AnaCredit Reporting Manual

Part I – General Methodology

May 2019



About the second edition of the AnaCredit Manual

The AnaCredit Reporting Manual (the “Manual”) has been updated. The previous version dated back to November 2016.

Highlights of this edition

The Manual has been updated to acknowledge and incorporate the additional explanations provided in the Q&As published on the ECB’s website between July 2017 and December 2018.

The updated Manual also incorporates a number of adjustments to address previous inconsistencies. At the same time, the structure has been reorganised and streamlined. Specifically, some explanatory paragraphs have been moved to different parts of the Manual, and cross-references have been added with a view to facilitating consistency and readability. Moreover, references to the implementing technical standards (ITS) on supervisory reporting have been updated throughout the Manual to keep them in line with the amendments to Commission Implementing Regulation (EU) No 680/2014 (the “amended ITS”).

Finally, the format and the language style have been aligned throughout the whole text.

Marked changes

Marked changes: changes have been annotated with revision marks

In order to help trace where amendments other than additional cross-references or minor textual adjustments have been made throughout the text, changes are indicated in the margin of the document, with a brief explanation. Furthermore, where relevant, hyperlinks to the published Q&As are provided there. The Q&As, although rendered redundant by the updated Manual, are still accessible on the ECB website.

Amendments in Part I

- 13 Q&As have been integrated which considerably improves the understanding of the reporting requirements.
- In addition, in the update:
 - the areas of national discretion are complemented and respective references to the AnaCredit Regulation are added;
 - the section on the Annexes is expanded with additional information relevant for reporting agents;
 - new sections on the complementary Q&A process and the AnaCredit validation checks are added;
 - the flow chart on the reporting agent’s obligations is redesigned;

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- the guidance regarding the reporting period is replaced with explanations of extended quarter-end reporting;
 - several clarifications are expanded and new examples are added;
 - the format of all tables is updated;
 - the glossary is expanded with additional terms/acronyms.

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1 About the Manual

1.1 Introduction

1 This Manual presents detailed information and guidance concerning AnaCredit
2 reporting requirements as set out in the AnaCredit Regulation¹.

3 The Manual explains the methodology underpinning data collection and the data
4 model, and includes guidance on the preferred approach that may be taken in cases
5 where the respective ECB legal act leaves scope for different interpretations.

6 The Manual contains no additional requirements and has no binding legal status, as
7 it merely aims to provide guidance by clarifying and providing examples related to
8 the requirements and definitions previously laid down in the AnaCredit Regulation.
9 The AnaCredit Regulation is the sole legally binding act.

10 The requirements of AnaCredit establish a common granular credit dataset shared
11 among the Eurosystem members (referred to as the AnaCredit database) and
12 comprising input data of all euro area Member States and any other states
13 participating in AnaCredit on a voluntary basis.

14 With a view to creating a common database, it is of the utmost importance that
15 concepts, definitions and reporting practices are aligned across countries to ensure a
16 rigorous methodological background and accurate comparable international
17 information.

1.2 Who should read the Manual

18 The information in the Manual may be of interest to reporting agents, data compilers
19 and users of the AnaCredit database.

20 The Manual also provides essential information for national authorities in charge of
21 collecting the information as a part of a broader national reporting framework, with a
22 view to ensuring consistency between the AnaCredit requirements and any related
23 national extensions thereof.

1.3 Which reporting requirements are covered in this Manual

24 Only the common requirements as
25 set out in the Regulation are
covered The Manual only covers the reporting requirements laid down in the AnaCredit
Regulation.

No national extensions covered

¹ Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13) (OJ L 144, 1.6.2016, p. 44).

1 The Manual does not cover any other reporting requirements; this relates in
 2 particular to any additional requirements that are part of a broader national reporting
 3 framework and extend the reporting of credit and credit risk data beyond the scope
 4 outlined in the AnaCredit Regulation. If relevant, any such additional requirements
 5 will be determined and appropriately communicated by national central banks
 6 (NCBs).

1.4 Scope of national implementations

7 **National extensions** With a view to ensuring efficient reporting and adequate interoperability with other
 8 existing or new reporting frameworks, NCBs may collect the information to be
 9 transmitted to the AnaCredit database as part of a broader national reporting
 10 framework. Consequently, NCBs may extend the reporting of granular credit and
 11 credit risk data beyond the scope outlined in the AnaCredit Regulation, for their own
 12 statutory purposes, in line with relevant national law.

13 Similarly, NCBs decide on the reporting format and timeliness in which they receive
 14 the data from reporting agents.

15 In no case does this Manual cover any national extensions of the common reporting
 16 requirements, or the format of the reporting or the timeliness with which reporting
 17 agents send data to their relevant NCBs.

18 Relevant information on national extensions and the timeliness or format of the
 19 reporting is provided by the relevant NCBs.

20 **Areas of national discretion** In addition to national extensions, there are also requirements set out in the
 21 AnaCredit Regulation that are left at NCBs' discretion.

22 Generally, requirements that are left at NCBs' discretion are those that may be rolled
 23 out differently (or not rolled out at all) in different reporting Member States.

24 Any such requirements are presented and in principle explained in this Manual, i.e.
 25 assuming the baseline scenario that reporting agents submit all data attributes listed
 26 in Annex I of the AnaCredit Regulation. In other words, for the purpose of the
 27 Manual, the requirements are explained as if NCBs had decided not to deviate from
 28 the baseline scenario in which all the requirements are required in full. In practice,
 29 however, not all of the data attributes may actually be required. The Manual does not
 30 provide any information about the actual implementation of such requirements by
 31 NCBs.

32 *Revision mark: editorial changes* Reporting agents and other stakeholders are invited to contact the relevant NCB for
 33 information regarding the national implementation of AnaCredit.

34 *Revision mark: the areas of national discretion are added to and
 35 respective references to the AnaCredit Regulation are added* The areas of national discretion as regards the common AnaCredit requirements are
 related to the NCBs choice to:

- exempt a resident reporting agent from reporting Template 1 – fully or partially – regarding the reporting agent's foreign branches under Article 6(3)(a) of the AnaCredit Regulation;
- exempt a resident foreign branch from reporting Template 2 – fully or partially – regarding its own activity as creditor or servicer under Article 6(3)(b) of the AnaCredit Regulation;
- exempt reporting agents from reporting counterparty reference and credit data to the relevant NCB, when such information can be obtained using reliable alternative sources under Article 16(3) of the AnaCredit Regulation;
- grant derogations to small reporting agents, provided that the total outstanding amount of loans granted to derogated entities does not exceed 2% of the total national outstanding amount of loans under Article 16(1) of the AnaCredit Regulation;
- allow small reporting agents to temporarily report on a quarterly basis, provided that the total outstanding amount of loans of those entities reporting on a quarterly basis does not exceed 4% of the total national outstanding amount of loans under Article 16(2) of the AnaCredit Regulation;
- allow reporting agents to report counterparty risk data on a quarterly basis under point 9.6 of Annex I of the AnaCredit Regulation;
- exempt reporting agents from reporting certain data attributes, as specified in Annexes II and III of the AnaCredit Regulation, under Article 7 and Article 9(2) thereof;
- exempt reporting agents from reporting data of non-resident foreign branches under Article 6(4) of the AnaCredit Regulation;
- define the unique identifiers that are required for the proper identification of resident counterparties under Article 9(2) of the AnaCredit Regulation;
- specify the deadlines for primary reporting by reporting agents to the NCB under Article 13(2) of the AnaCredit Regulation.

The Manual presents the baseline requirements as laid down in the AnaCredit Regulation assuming that neither derogations nor additional requirements apply

Unless stated otherwise, the requirements of AnaCredit are discussed assuming the baseline requirements whereby the relevant NCB does not apply any of the derogations and reporting agents are required to meet all requirements laid down in the AnaCredit Regulation (and only those requirements).

Whether or not NCBs decide to deviate from the baseline requirements, and to what extent, will be communicated by the relevant NCBs.

1.5 Structure of the Manual

The Manual is organised into the following parts:

Part I explains the general AnaCredit methodology and provides information about the various steps involved in determining the reporting population and the credit instruments subject to reporting and setting up the reporting, including a general description of the underlying data model. It also explains the reduced data requirements as stipulated by Article 7 of the AnaCredit Regulation and the application of derogations for small reporting agents.

Part II describes all datasets and data attributes of AnaCredit data collection in detail and provides specific reporting instructions.

Part III presents various case studies and in particular covers special scenarios that require more in-depth explanations.

Finally, the Annexes provide additional information relevant for reporting agents such as certain data validation rules.

1.5.1 Part I – general methodology, reporting principles and rules

Chapter 1 provides information about the content and intended use of this Manual.

Chapter 2 focuses on reporting agents, in particular the scope in terms of the reporting population, and provides a detailed explanation of the entities subject to reporting (reporting agents). The scope in terms of the reference population (observed agents) is then discussed. The reporting obligations of reporting agents are also described, including the meaning of reporting on an individual basis or when there is a change in the population of reporting agents. An explanation of the applicable accounting standard to be used by reporting agents is also provided.

Chapter 3 describes counterparties in the context of AnaCredit and provides a definition both of counterparties directly involved in instruments and of counterparties acting as protection providers. A specific section is dedicated to counterparties affiliated with debtors and protection providers.

Chapter 4 describes the scope of AnaCredit data collection in terms of instruments covered and focuses on specific issues related to eligible instruments, in particular the activity of observed agents as creditors or servicers, instruments relevant for the creditor, held or serviced instruments, types of counterparties involved and the types of instrument that give rise to credit risk.

Chapter 5 explains the different criteria that trigger a reporting obligation with regard to reporting reference dates and the reference period, eligible instruments and debtors' commitment amounts. The chapter also provides an explanation of when a given instrument is reportable under AnaCredit.

Chapter 6 addresses questions related to the concept of credit and the underlying data model. Specifically, credit is conceptually modelled by distinguishing the instrument entity, the protection entity and the counterparty entity. The reportable datasets are then defined on the basis of the conceptual model. Mutual relationships between the reportable datasets are also discussed along with the different methods of reporting data and the reporting frequencies.

Chapter 7 discusses the specific statistical reporting requirements related to counterparty and credit data, as set out in Annexes II and III of the AnaCredit Regulation.

Finally, Chapter 8 details the circumstances in which derogations and reduced reporting frequency for small reporting agents can be applied.

1.5.2 Part II – datasets and data attributes

Part II specifies all the reportable datasets by focusing on the specific data attributes for each reported dataset.

In particular, the reporting frequency is discussed for every dataset, and the reporting qualification, definition, applicable values, general reporting instructions and some examples of specific cases are provided for every data attribute.

1.5.3 Part III – case studies

Part III analyses specific use cases and examples of particular scenarios. A set of case studies illustrates the issues and challenges encountered. The explanations of how to tackle these issues in the context of AnaCredit reporting help both reporting agents and data analysts to properly reflect the economic substance of the information at hand.

Revision mark: editorial changes Part III covers reporting instructions for cases with a given central element, such as securitisations, instruments under a multi-debtor/product structure (credit limit structures), project finance loans, factoring transactions, reverse repurchase agreements and syndicated loans and other multi-creditor instruments. It also provides detailed examples of complete reports.

1.5.4 Annexes

Revision mark: this section is expanded to align with the content on the ECB's website The annexes provide additional information relevant for reporting agents, such as lists of country-specific national identifiers and legal forms, as well as examples of complete data reports concerning stylised instruments. These can be accessed via the ECB's website.

- List of legal forms
- List of national identifiers
- List of international organisations
- Examples of complete reports

1.6 Q&As

Revision mark: this section is added to inform about the complementary Q&A process The Manual is complemented by further explanations provided via the ongoing Q&A process.

Reporting agents and other stakeholders can submit questions to the relevant NCB at any time. The NCB or, in the case of broader questions, the European System of Central Banks (ESCB), subsequently prepares a response and the NCB concerned communicates this back to the requester – adjusting the response in line with the national reporting framework if applicable. A selection of these Q&As is published on the ECB's website on an ongoing basis.

1.7 AnaCredit validation checks

1 *Revision mark: this section is*
2 *added to inform about the*
3 *AnaCredit validation checks*

The ECB performs validation checks to ensure that data reported to AnaCredit are complete and consistent, in accordance with the requirements. The main validation checks are published in a dedicated document accessible via the ECB's website.

1.8 Other relevant information

4 Besides this Manual there is also additional AnaCredit documentation which
5 provides a consistent and comprehensive overview of the reporting requirements
6 from both a methodological and a technical point of view. In addition to the AnaCredit
7 Regulation and the AnaCredit Guideline², the RIAD Guideline³ provides a description
8 of dataflow frameworks for the enhanced Register of Institutions and Affiliates
9 Database. Finally, in light of Section 1.4 above, available documentation at a
10 national level is also relevant.

11 The AnaCredit Guideline is a legally binding document addressed to NCBs' that will
12 accompany the AnaCredit Regulation. It details NCBs' obligations to report credit
13 and credit risk data and reference data to the ECB.

14 Other documents related to AnaCredit within the scope of the Single Data Dictionary
15 (SDD) and the Banks' Integrated Reporting Dictionary (BIRD)⁴ also provide
16 information relevant to AnaCredit.

17 The Single Data Dictionary provides the technical specification for the dataset flows
18 between NCBs and the ECB. It only covers the dataflow between NCBs and the
19 ECB, and not the dataflow between reporting agents and NCBs. The latter will be
20 established by the respective NCBs, and reporting agents are advised to consult
21 their NCBs accordingly.

22 *Revision mark: editorial changes*
23 *are applied*

24 The BIRD may be used as complementary information. The BIRD has been
25 designed to alleviate the reporting burden for the banks. The BIRD's contents,
26 published on the BIRD website, comprise a precise description of the data which
27 should be extracted from the banks' internal IT systems to derive reports demanded
28 by authorities. In addition to this, there will be clearly defined transformation rules to
29 be applied to the data extracted from the banks' internal IT systems in order to
produce a specific final regulatory figure. The scope of the BIRD also covers the
common AnaCredit requirements.

² Guideline (EU) 2017/2335 of the European Central Bank of 23 November 2017 on the procedures for the collection of granular credit and credit risk data (ECB/2017/38) (OJ L 333, 15.12.2017, p. 66).

³ Guideline (EU) 2018/876 of the European Central Bank of 1 June 2018 on the Register of Institutions and Affiliates Data (ECB/2018/16) (OJ L 154, 18.6.2018, p. 3).

⁴ The BIRD is accessible via the following link <http://www.banks-integrated-reporting-dictionary.eu/>

2 Reporting agents and observed agents

1 The first section of this chapter discusses the scope of reporting in terms of entities
 2 subject to reporting, which form the reporting population. The second section
 3 addresses the scope of reporting in terms of the reference population and provides a
 4 detailed description of institutional units and observed agents. Finally, the third
 5 section describes the reporting obligations of reporting agents, where the meaning of
 6 reporting on an individual basis and the use of special reporting values are
 7 explained.

2.1 General concepts

2.1.1 The concept of credit institutions

8 Pursuant to Article 1(18) of the AnaCredit Regulation, credit institution has the same
 9 meaning as defined in Article 4(1)(1) of Regulation (EU) No 575/2013 (hereinafter
 10 referred to as “the CRR”)⁵.

11 *Revision mark: editorial changes*
 12 *are applied*

13 Article 4(1)(1) of the CRR defines a credit institution as “an undertaking the business
 14 of which is to take deposits or other repayable funds from the public and to grant
 credits for its own account”. Exemptions laid down in other legal frameworks, such
 as in Directive 2013/36/EU (hereinafter referred to as “the CRD IV”)⁶, do not apply.

15 Subsidiaries of credit institutions which meet the above-mentioned definition of a
 16 credit institution are credit institutions in their own right.

2.1.2 The concept of institutional units

17 As regards the organisation of AnaCredit reporting, the AnaCredit Regulation uses
 18 the concept of an institutional unit.

19 Pursuant to Article 1(3) of the AnaCredit Regulation, “institutional unit” has the same
 20 meaning as defined in paragraphs 2.12 and 2.13 of Annex A to Regulation (EU)

⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

⁶ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

1 No 549/2013 (hereinafter referred to as “ESA 2010”)⁷ – refer to Table 1 for the
 2 definition of an institutional unit.

Table 1: Paragraph 2.12 of Annex A to Regulation (EU) No 549/2013

Definition: an institutional unit is an economic entity characterised by decision-making autonomy in the exercise of its principal function. A resident unit is regarded as constituting an institutional unit in the economic territory where it has its centre of predominant economic interest if it has decision-making autonomy and either keeps a complete set of accounts or is able to compile a complete set of accounts.

To have autonomy of decision in respect of its principal function, an entity must be:

- entitled to own goods and assets in its own right; it will be able to exchange the ownership of goods and assets in transactions with other institutional units;
- able to take economic decisions and engage in economic activities for which it is responsible and accountable at law;
- able to incur liabilities on its own behalf, to take on other obligations or further commitments and to enter into contracts; and
- able to draw up a complete set of accounts, comprised of accounting records covering all its transactions carried out during the accounting period, as well as a balance sheet of assets and liabilities.

3 *Revision mark: this paragraph is*
 4 *enhanced in line with the definition*
 5 *of a branch office in the glossary*

Accordingly, an institutional unit may consist of a single branch office or several branch offices in different locations of the same country, where a branch office is any individual place of business which forms a legally dependent part of an institution and which carries out directly all or some of the transactions inherent in the business of the institution. There may only be one institutional unit in any given country. The term institutional unit is a central concept of AnaCredit as pursuant to Article 1(10) of the AnaCredit Regulation all counterparties required to be reported to AnaCredit are defined as institutional units.

2.1.3 Institutional units of credit institutions

11 A credit institution consists of one or more institutional units. A distinction is made
 12 between the domestic part of a credit institution and its foreign branches.

13 A credit institution always comprises the domestic part of a credit institution.

14 If a credit institution also conducts business in countries other than the country in
 15 which it is established, the credit institution also comprises foreign branches.

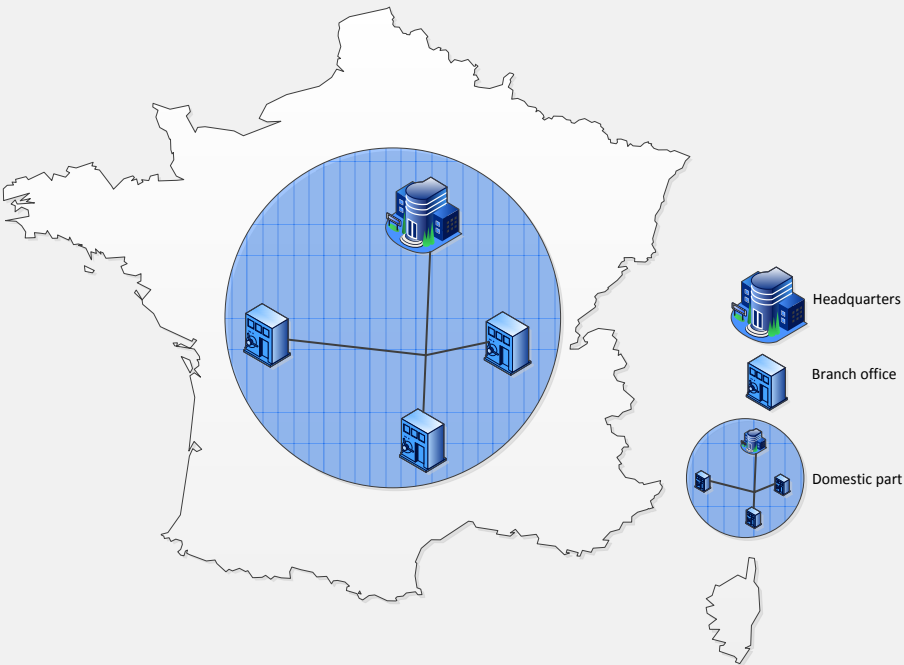
⁷ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

2.1.3.1 The domestic part of a credit institution

1	The domestic part is an institutional unit comprising the headquarters and the domestic branch offices	The headquarters and all branch offices of a credit institution which are located in the same country in which the credit institution is established are jointly referred to as the domestic part of the credit institution.
2		
3		
4	<i>Revision mark: the definition of headquarters is added in line with the glossary</i>	The headquarters is the place of business that serves as the administrative centre of an enterprise. Its tasks include overseeing and managing other units of the enterprise, undertaking strategic or organisational planning and decision-making, exercising operational control and managing the day-to-day operations of the related units.
5		
6		
7		
8		
9		The domestic part of a credit institution is one institutional unit which consists of the headquarters and the domestic branch offices.
10		
11	In the context of AnaCredit, the domestic part of a credit institution and its head office undertaking use the same counterparty identifier	In the context of AnaCredit, the counterparty identifier of the domestic part of a credit institution uniquely identifies the head office undertaking of the credit institution.
12		
13		The domestic part of a credit institution is the only institutional unit of the credit institution in the country where the credit institution is established.
14		
15	<i>Revision mark: clarification is added concerning "domestic part" in accordance with Q&A 2018/0044</i>	Please note that in the AnaCredit data model, a legal entity is indistinguishable from its head office/domestic part as far as the identification of counterparties is concerned. Consequently, these terms are often used interchangeably in this regard (please refer to the clarifications provided in Section 12.1 in Part II of the Manual).
16		
17		
18		
19		Chart 1 presents an example in which a credit institution consists only of the domestic part.
20		

Chart 1: Institutional unit – a credit institution consisting only of the domestic part

The concept of the domestic part of a credit institution is illustrated using the example of a credit institution with several branch offices in France. The credit institution is established in France and has no branch offices outside France.



A credit institution consists of the headquarters in France (i.e. the chief administrative office) and several branch offices in different locations in France.

The headquarters together with all the branch offices form one institutional unit (i.e. the domestic part), which coincides with the credit institution.

1 *Revision mark: this paragraph is*
2 *added in line with Q&A 2018/0016*
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Please note that the domestic part of a reporting credit institution reports to AnaCredit intracompany loans that it has provided to any of its foreign branches (because they are different institutional units and, consequently, different counterparties) (cf. Section 4.6.5.1). Article 4(1)(a)(iv)(i) of the AnaCredit Regulation also stipulates that intracompany loans in which an observed agent acts only as servicer are reported (cf. Section 4.6.5.2 for more information).

2.1.3.2 Foreign branches of credit institutions

7
8
9
10 A foreign branch of a credit
11 institution is located in a country
12 other than the country in which the
credit institution is established

Pursuant to Article 1(4) of the AnaCredit Regulation, a foreign branch is an institutional unit which is a legally dependent part of a legal entity resident in a different country to that where the legal entity is incorporated.

Accordingly, a foreign branch of a credit institution is an institutional unit of a credit institution which is a legally dependent part of the credit institution and is located in a country other than the country in which the credit institution is established.

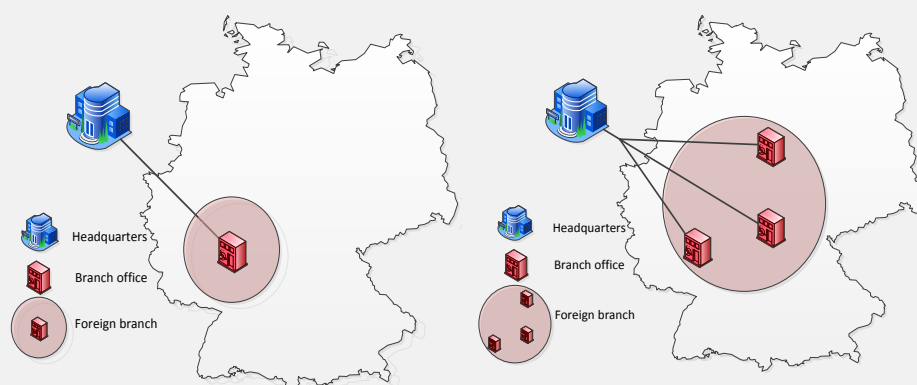
- 1 Foreign branches of credit institutions are not credit institutions in their own right.
- 2 A foreign branch of a credit institution is not a legal entity but a legally dependent
- 3 part of a legal entity.
- 4 The concept of a "single branch"
- 5 Furthermore, a foreign branch is defined in accordance with the concept of a "single branch" referred to in Article 2(3) of Regulation (EC) No 2533/98.
- 6 A foreign branch is one institutional
- 7 unit
- 8 Accordingly, a credit institution can have only one foreign branch in a given country. Please note that any number of branch offices (i.e. individual places of business as defined under Article 4(1)(17) of the CRR) set up in the same country by a credit institution with its headquarters in another country are regarded as a single foreign branch.
- 9
- 10
- 11 Chart 2 presents two examples of the "single branch" concept.

Chart 2: The concept of a "single branch" foreign branch of a credit institution

The concept of a "single branch" is illustrated using the example of a credit institution with branch offices in Germany.

A credit institution with its headquarters outside Germany maintains just one branch office in Germany. In the context of AnaCredit, the branch office in Germany is a foreign branch of the credit institution.

A credit institution with its headquarters outside Germany maintains several branch offices in Germany. In the context of AnaCredit, these branch offices together form a single foreign branch.



Irrespective of the number of branch offices, there can only be one foreign branch of a credit institution in the same country.

- 12 Resident foreign branches (of credit institutions) that are resident in a reporting
- 13 Member State may be either (i) resident foreign branches of credit institutions that
- 14 are resident in a reporting Member State or (ii) resident foreign branches of credit
- 15 institutions that are not resident in a reporting Member State.
- 16 If a credit institution headquartered outside a given country conducts its business in
- 17 the country through both a branch office and a subsidiary, the subsidiary does not
- 18 belong to the foreign branch of the credit institution. In other words, a foreign branch

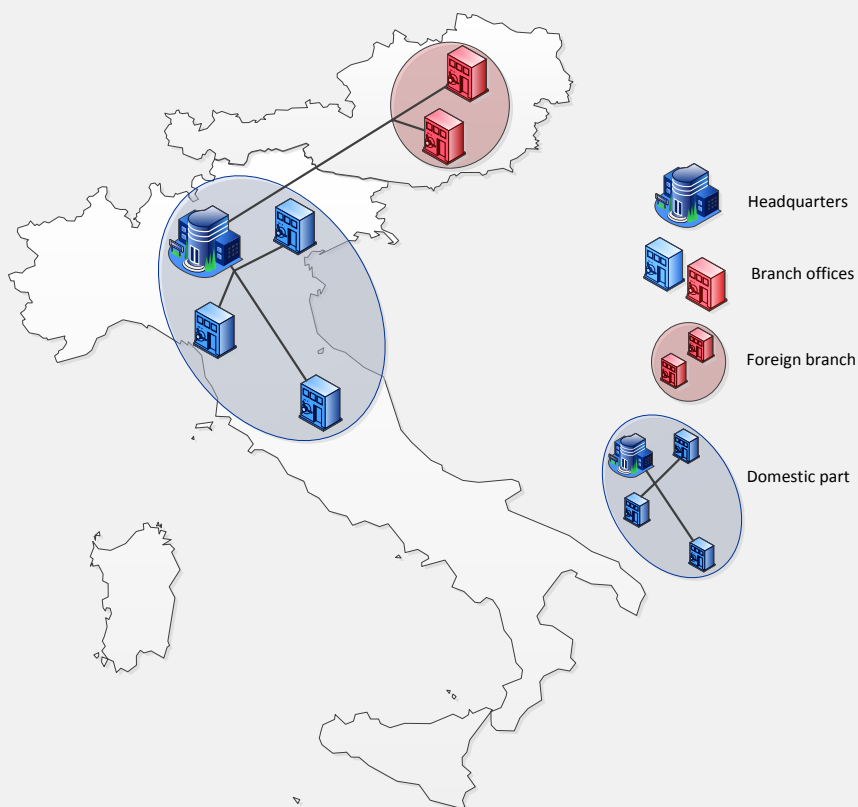
and a subsidiary of the same credit institution, both conducting banking business in the same country, are two separate entities.

A foreign branch forms only one institutional unit. There can be no more than one foreign branch of a credit institution in a given country.

Chart 3 presents an example of a credit institution which consists of the domestic part and a foreign branch by means of which the credit institution conducts its business in two different countries.

Chart 3: Institutional unit – a credit institution consisting of the domestic part and a foreign branch

The concept of the domestic part (of a credit institution) versus a foreign branch is illustrated using the example of a credit institution comprising headquarters located in Italy and several branch offices in different locations in Italy and Austria.



In this case, the credit institution consists of two institutional units:

- the headquarters together with all the branch offices in Italy form one institutional unit (the domestic part of the credit institution);
- the branch offices in Austria form another institutional unit (a foreign branch) in Austria.

Revision mark: this paragraph is added in line with Q&A 2018/0016

Intracompany loans granted by a foreign branch of a credit institution to other institutional units of the same credit institution (i.e. the domestic part or other foreign branches) are reported to AnaCredit (cf. Section 4.6.5).

2.1.4 Subsidiaries of credit institutions

1 A subsidiary of a (parent) credit institution does not form an institutional unit of the
2 parent credit institution.

3 A subsidiary is a legal entity in its own right with its own institutional units.

2.2 Reporting Member States, reporting agents and observed agents in AnaCredit

2.2.1 The distinction between the reporting population and the reference population

4 AnaCredit distinguishes between the populations of reporting agents (the reporting
5 population) and observed agents (the reference population).

6 The rationale for distinguishing between reporting agents and observed agents is
7 that AnaCredit is designed to collect credit data with a view to obtaining a complete
8 picture of the credit exposures of reporting agents in the reporting Member States,
9 taking into account the area of economic activity of the reporting agent on the one
10 hand, and its credit exposure in a specific country on the other. Subsequently, by
11 linking observed agents with reporting agents, data are collected on loans granted
12 both by resident credit institutions, irrespective of whether they are provided directly
13 by the (domestic parts of the) credit institutions or indirectly via their foreign branches
14 (resident or non-resident in a reporting Member State), and by resident foreign
15 branches of non-resident credit institutions.

2.2.2 Reporting Member States

16 *Revision mark: Section 2.2.2 is*
17 *added covering the definition of*
"reporting Member State" as laid
down in the AnaCredit Regulation

In line with Article 1(1) of the AnaCredit Regulation, a reporting Member State is:

- a Member State of the European Union whose currency is the euro;
- a Member State of the European Union whose currency is not the euro that has joined AnaCredit on a voluntary basis.

20 A Member State whose currency is not the euro may decide to become a reporting
21 Member State by incorporating the provisions of the AnaCredit Regulation into its
22 national law or otherwise imposing relevant reporting requirements in accordance
23 with its national law. This may include, in particular, a Member State that participates
24 in the Single Supervisory Mechanism (SSM) via close cooperation in accordance
25 with Article 7 of Council Regulation (EU) No 1024/2013.

2.2.3 Overseas territories affiliated with reporting Member States

1 *Revision mark: Section 2.2.3*
 2 *concerning countries and territories*
 3 *affiliated with reporting Member*
States is added in line with
Q&A 2018/0037

While the reporting status of Member States of the European Union is straightforward, particular considerations apply to countries and territories that have a constitutional relationship with a reporting Member State.

2.2.3.1 Affiliated countries and territories that are not part of reporting Member States

4 *Countries and territories of the*
 5 *Treaty on the Functioning of the*
 6 *European Union*

Annex II to the Treaty on the Functioning of the European Union (TFEU) contains a list of overseas countries and territories to which the provisions of Part Four of the TFEU apply. These countries are: Greenland, New Caledonia and Dependencies, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Mayotte, Saint Pierre and Miquelon, Aruba, Netherlands Antilles (Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten), Anguilla, Cayman Islands, Falkland Islands, South Georgia and the South Sandwich Islands, Montserrat, Pitcairn, Saint Helena and Dependencies, British Antarctic Territory, British Indian Ocean Territory, Turks and Caicos Islands, British Virgin Islands and Bermuda (hereinafter “countries and territories of Annex II to the TFEU”).

14 Countries and territories of Annex II to the TFEU are not part of Member States. The
 15 TFEU defines them as countries and territories that may enter into association with
 16 the Union. Therefore, countries and territories of Annex II to the TFEU are not part of
 17 reporting Member States.

18 *With the exception of Saint Pierre*
 19 *and Miquelon and Saint-*
 20 *Barthélemy, AnaCredit does not*
 21 *apply in countries and territories of*
 22 *Annex II to the TFEU*

Not being reporting Member States, the AnaCredit Regulation does not apply in countries and territories of Annex II to the TFEU.

20 However, Saint Pierre and Miquelon and Saint-Barthélemy, which are considered
 21 part of France, are exceptions. In these two cases, the AnaCredit Regulation applies
 22 and credit institutions or foreign branches that are resident in these two territories
 23 report data to the Banque de France.

2.2.3.2 Affiliated countries and territories that are part of reporting Member States

24 *Countries and territories that are*
 25 *considered part of the relevant*
 26 *reporting Member State are subject*
to AnaCredit reporting

The following countries and territories are not listed in Annex II to the TFEU but have a specific constitutional relationship with a Member State and are therefore considered part of the relevant reporting Member State:

- Guadeloupe, French Guiana, Martinique, Mayotte, la Réunion and Saint-Martin with respect to France;
- the Åland Islands with respect to Finland;
- the Canary Islands with respect to Spain;
- Heligoland and the territory of Büsingen with respect to Germany.

In these countries, the AnaCredit Regulation applies and credit institutions or foreign branches resident there report data to the relevant NCB.

AnaCredit applies to credit institutions or foreign branches that are resident in the Principality of Monaco

The Principality of Monaco is an autonomous state and is not part of France. However, entities resident in Monaco are required to report data to the Banque de France pursuant to the Monetary Agreement between the European Union and the Principality of Monaco of 29 November 2011. Hence, credit institutions or foreign branches that are resident in the Principality of Monaco report data required under AnaCredit to the Banque de France.

2.2.4 Reporting agents

Revision mark: the definition of a reporting Member State has been moved up to Section 2.2.2

The AnaCredit Regulation stipulates that the AnaCredit reporting requirements are to be fulfilled by reporting agents resident in a reporting Member State.

Pursuant to Article 3 of the AnaCredit Regulation, the following entities are subject to the reporting requirements:

- (a) credit institutions under Article 4(1)(1) of the CRR resident in a reporting Member State;
- (b) foreign branches of credit institutions provided that these foreign branches are resident in a reporting Member State.

Credit institutions and foreign branches that are resident in a reporting Member State are referred to as resident credit institutions and resident foreign branches, respectively.

Resident credit institutions and resident foreign branches of credit institutions are obliged to report, regardless of whether or not they are supervised under the CRD IV (cf. Section 2.1.1).

Resident means resident in a reporting Member State

Resident credit institutions and resident foreign branches of credit institutions that are subject to reporting are jointly referred to as reporting agents.

A reporting agent is resident in only one reporting Member State.

Resident foreign branches of credit institutions are reporting agents irrespective of whether or not the credit institution of which the foreign branch is a legally dependent part is resident in a reporting Member State.

1 A credit institution is a reporting
2 agent only if the credit institution is
3 resident in a reporting Member
State

Subsidiaries which are credit institutions resident in a reporting Member State are reporting agents and report data on their own activity as creditor or servicer and, if applicable, on the activity of their foreign branches.

4 Pursuant to the AnaCredit Regulation, only reporting agents have an obligation to
5 report.

6 All reporting agents are jointly referred to as the reporting population.

2.2.5 Observed agents

7 Pursuant to Article 1(9) of the AnaCredit Regulation, an observed agent is an
8 institutional unit whose activity as creditor or servicer is reported by the reporting
9 agent. The observed agent is either:

- 10 • the domestic part of the reporting agent, i.e. the institutional unit resident in the
11 same country as the reporting agent of which it forms part; or
- 12 • a reporting agent's foreign branch, resident in a reporting Member State; or
- 13 • a reporting agent's foreign branch, non-resident in a reporting Member State.

14 *Revision mark: clarification is
15 added that acquired instruments
16 are also subject to AnaCredit
reporting*

Articles 4 and 6 of the AnaCredit Regulation stipulate that reporting agents report granular credit data relating to instruments held (granted or acquired) or serviced by the reporting agent's observed agents.

17 All observed agents are jointly referred to as the reference population.

18 A reporting agent may comprise
19 observed agents located in different
20 countries

An observed agent is always related to a reporting agent. Depending on the reporting agent itself, there may be just one or several observed agents affiliated with the reporting agent. The number of observed agents that a reporting agent has is exactly the same as the number of institutional units of the reporting agent. The former number depends on:

- (i) whether the reporting agent is a credit institution or a foreign branch of a credit institution;
- (ii) the number of foreign branches that the credit institution has.

23 Specifically, if the reporting agent is a (resident) foreign branch of a credit institution,
24 the foreign branch is also the (only) observed agent related to this reporting agent.
25 This relationship is a direct consequence of the fact that a foreign branch in a given
26 country forms only one institutional unit.

27 If the reporting agent is a (resident) credit institution, however, the determination of
28 observed agents is twofold.

- 29 1. If the credit institution comprises only the domestic part, then there is only
30 one observed agent related to this reporting agent (i.e. the domestic part of
31 the credit institution), which coincides with the credit institution. In this case
32 the observed agent is the institutional unit resident in the same country as

the reporting agent of which it forms part as referred to in point (a) of Article 1(9) of the AnaCredit Regulation.

2. If the credit institution also has a foreign branch, then the reporting agent comprises two observed agents: the domestic part of the credit institution and the foreign branch. Furthermore, if the credit institution has more than one foreign branch then the number of observed agents related to the reporting agent increases accordingly.

A resident foreign branch of a credit institution is:

- in the country where the credit institution is located, an observed agent related to the credit institution (where the credit institution is the reporting agent);
- in the country where the foreign branch is located, both a reporting agent and an observed agent in its own right.

There are no observed agents which are not affiliated with a reporting agent

Observed agents are always related to a reporting agent. A foreign branch of a credit institution may thus be seen as two distinct observed agents depending on the perspective of the reporting agent it is related to:

- (i) as an observed agent of the credit institution, on condition that the credit institution is resident in a reporting Member State, taking the perspective of the NCB of the reporting Member State in which the credit institution is located; in this case, the data of the observed agent (i.e. of the foreign branch) are reported by the credit institution as the reporting agent to the relevant NCB of the credit institution;
- (ii) as an observed agent of the foreign branch itself, taking the perspective of the NCB of the reporting Member State in which the foreign branch is located; in this case the foreign branch appears in the dual role of observed agent and reporting agent which reports the data of the foreign branch to the NCB where the foreign branch is located.

Resident and non-resident observed agents

Whereas reporting agents are necessarily resident in a reporting Member State, an observed agent may be either resident or (applies only in the case of foreign branches) non-resident in a reporting Member State.

A foreign branch of a credit institution that is a reporting agent may also be a reporting agent in its own right provided that the foreign branch is resident in a reporting Member State.

If a resident credit institution (i.e. a reporting agent in country A) has, for instance, two foreign branches (one in country B and the other in country C), then the credit institution comprises in total three institutional units, all of which are observed agents of the reporting agent:

- 1 • the domestic part of the credit institution located in country A;
- 2 • the foreign branch in country B;
- 3 • the foreign branch in country C.

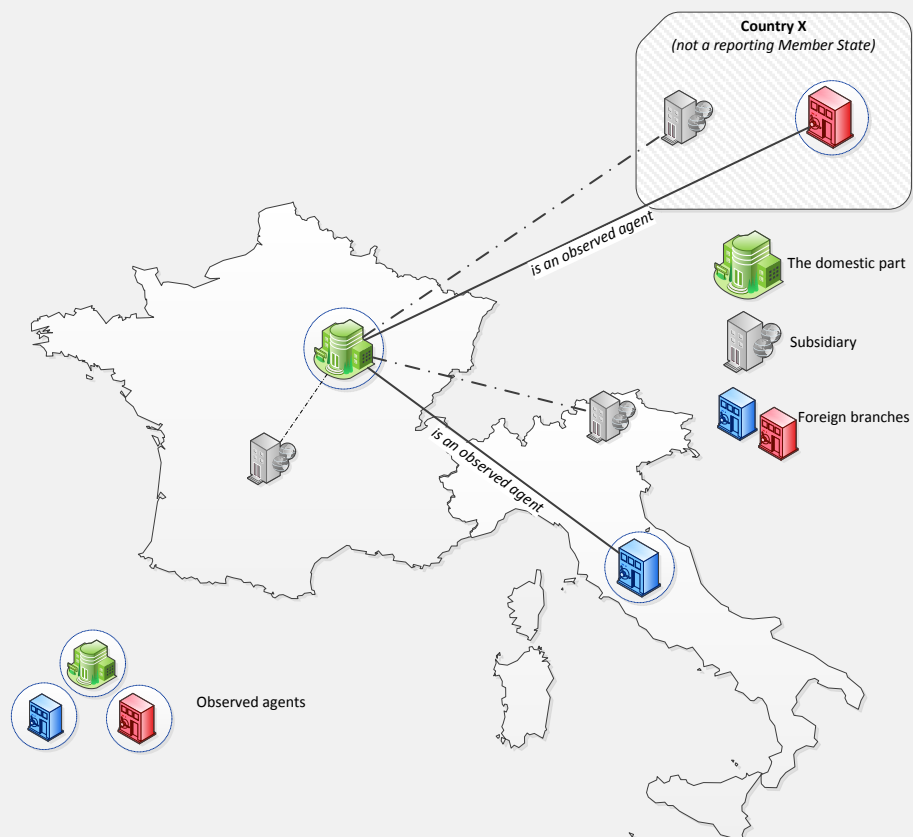
4 The existence of institutional units (of a credit institution) does not depend on
5 whether or not a credit institution is resident in a reporting Member State. Nor does it
6 depend on whether or not any foreign branch is resident in a reporting Member
7 State.

8 Chart 4 gives an example of a credit institution which consists of the domestic part
9 and some foreign branches and which has subsidiaries that form legal entities in
10 their own right.

Chart 4: Observed agent – credit institution with foreign branches and subsidiaries

The concept of the observed agent is illustrated using the example of a credit institution established in France that has several foreign branches and subsidiaries both within and outside France.

More specifically, the credit institution has a foreign branch in Italy, a subsidiary in Italy which conducts banking business, and a foreign branch and subsidiary in country X, which is not a reporting Member State.



Taking the perspective of the credit institution in France, the credit institution is the reporting agent that has the following three observed agents:

- the domestic part of the credit institution located in France;
- the foreign branch resident in Italy;
- the foreign branch located in country X.

Neither the subsidiary in Italy nor the subsidiary in country X, nor the subsidiary in France, are observed agents related to this reporting agent. However, if the subsidiary in France or the subsidiary in Italy is a credit institution according to Article 1(18) of the AnaCredit Regulation, then the respective subsidiary is a reporting agent in its own right.

2.3 Reporting obligations of reporting agents

2.3.1 General principle

1 The reporting obligations of reporting agents pursuant to the AnaCredit Regulation
2 are without prejudice to any other reporting requirements in accordance with national
3 law or other reporting frameworks.

2.3.2 Actual reporting agents

4 The ECB does not provide a list of the credit institutions or foreign branches of credit
5 institutions that fall within the scope of AnaCredit.

6 *Revision mark: a reference to the* Nevertheless, the relevant NCBs inform reporting agents about the reporting
7 *AnaCredit Regulation is removed* obligations before the first reporting reference date for which such agents report data
8 to AnaCredit.

2.3.3 Reporting on an individual basis

9 As set out in Article 6(2) of the AnaCredit Regulation, resident credit institutions
10 report data in relation to all their observed agents.

11 Resident foreign branches of credit institutions report on their own activity as creditor
12 or servicer.

13 Reporting on an individual basis means that loans exchanged between institutional
14 units of a legal entity (for example, between the domestic part and foreign branches)
15 are in principle subject to reporting.

16 Pursuant to Article 3(3), all reporting agents report data to their respective NCB,
17 which is uniquely determined by the country of residence of the reporting agent.

18 Specifically, where a resident credit institution has foreign branches, data concerning
19 all foreign branches of the credit institution are identified individually (separately) –
20 by the counterparty identifier of the institutional unit – and are reported by the
21 reporting agent (which is the credit institution resident in a reporting Member State).
22 The reporting agent reports the data to the relevant NCB of the Member State where
23 the credit institution is established.

24 *The reporting population of an NCB* Where a reporting agent has an observed agent in another reporting Member State
25 *may also include foreign observed* (i.e. the observed agent is a foreign branch), data relating to that observed agent are
26 *agents* also reported by the foreign branch, in which case the foreign branch acts as a
27 reporting agent in its own right and reports to the NCB of the Member State in which
28 the observed agent (i.e. the foreign branch) is resident.

1	<i>Revision mark: this paragraph is enhanced to clarify which observed agents are concerned</i>	Please note that pursuant to Article 6(3), the actual reporting obligation with regard
2		to observed agents that are foreign branches not resident in a reporting Member
3		State may be decided by the relevant NCB. Whether this option is in fact followed
4		(and to what extent) in a given reporting Member State is not covered by this
5		Manual.
6	No obligation to report data of subsidiaries. Subsidiaries which are credit institutions resident in a reporting Member State are reporting agents in their own right	Data relating to subsidiaries of resident credit institutions (i.e. reporting agents) are
7		not required to be reported by reporting agents (cf. Section 2.1.4). However, if a
8		subsidiary is a credit institution in accordance with Article 4(1)(1) of the CRR and
9		resident in a reporting Member State, the subsidiary is a reporting agent in its own
10		right and reports data in relation to all its observed agents.
11	<i>Revision mark: the flow charts in Charts 5 and 6 are redesigned to improve their readability on the page</i>	Chart 5 presents the comprehensive reporting obligation of a reporting agent (a
12		resident credit institution) in respect of its observed agents. In addition, Chart 6
13		presents the reporting obligations of a resident foreign branch of a credit institution in
14		respect of its observed agents. Although presented from slightly different
15		perspectives, the information in the two charts is fully consistent.

Chart 5: Reporting agent's obligations – perspective of a resident credit institution

Depending on the particular situation, the reporting agent is the credit institution and/or the resident foreign branch. A total of three cases arise:

1. The credit institution has no foreign branch – in this case the credit institution is the reporting agent and reports on its own activity as creditor or servicer (i.e. the credit institution is the only observed agent). The reporting agent reports the data of the observed agent to the NCB in the country where the credit institution is established.
2. The credit institution has a foreign branch resident in a reporting Member State – in this case the following applies:
 - (a) The credit institution is a reporting agent and reports on the activity as creditor or servicer of (i) the one observed agent being the domestic part of the credit institution and (ii) the other observed agent being the foreign branch of the credit institution; both sets of data are reported to the NCB in the country where the credit institution is established.
 - (b) The resident foreign branch is also a reporting agent and reports on its own activity as creditor or servicer (i.e. the foreign branch is the observed agent). The reporting agent reports the data of the observed agent to the NCB in the Member State where the foreign branch is located.
3. The credit institution has a foreign branch which is not resident in a reporting Member State – in this case the credit institution is a reporting agent and reports on the activity as creditor or servicer of (i) the one observed agent being the domestic part of the credit institution and (ii) the other observed agent being the foreign branch of the credit institution; both sets of data are reported to the NCB in the country where the credit institution is established. The non-resident foreign branch is not a reporting agent in its own right.

If the reporting agent has both resident and non-resident foreign branches, the data for the domestic part of the credit institution only need to be reported once (combination of cases 2 and 3).

Please note that in line with Article 6(4) of the AnaCredit Regulation, the respective NCB may decide not to collect any data for foreign branches located in countries which are not a reporting Member State.

This is an overview of a reporting agent's obligations to report on its observed agents' activities as creditor or servicer, using the example of a credit institution established in a reporting Member State.

The flow chart presents the comprehensive reporting obligation of the resident credit institution and possibly of its foreign branches, depending on the composition of the credit institution.

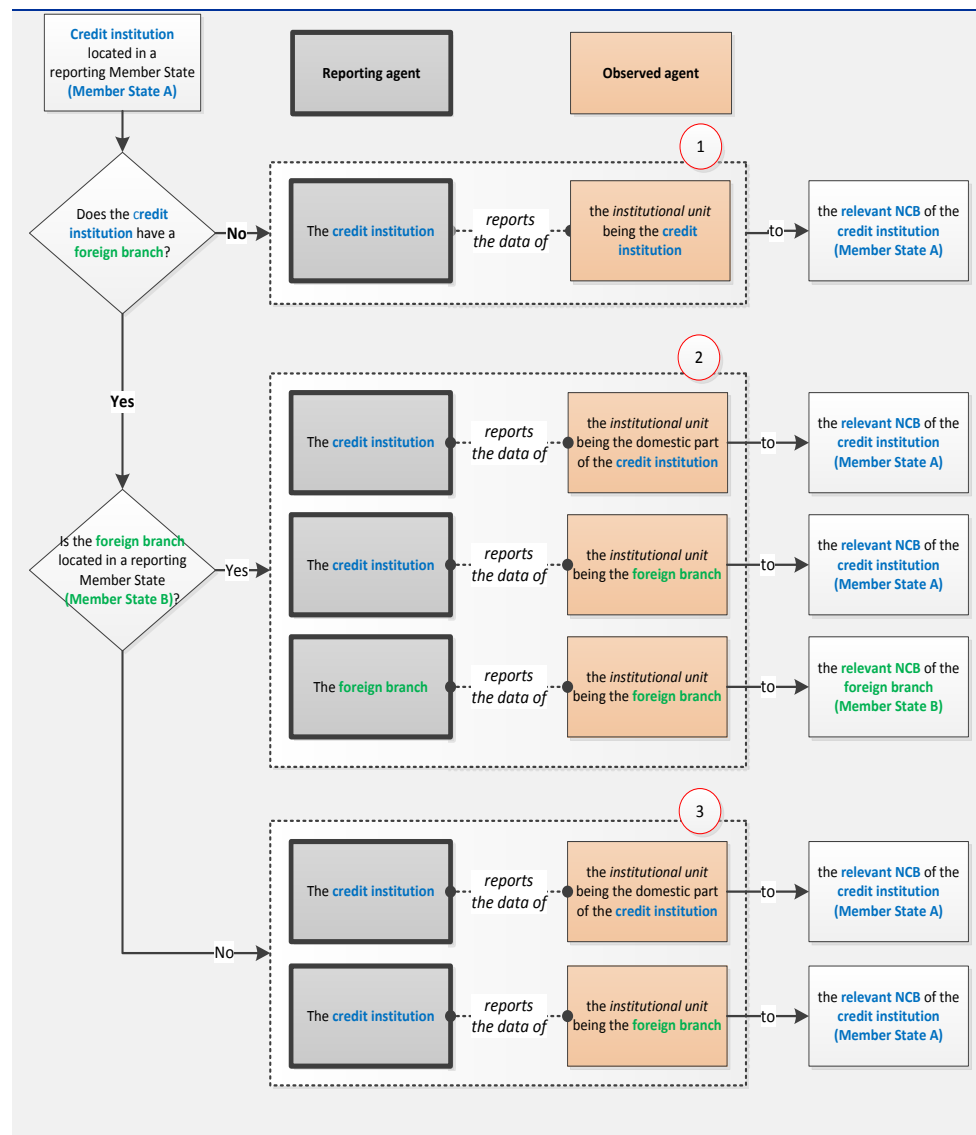
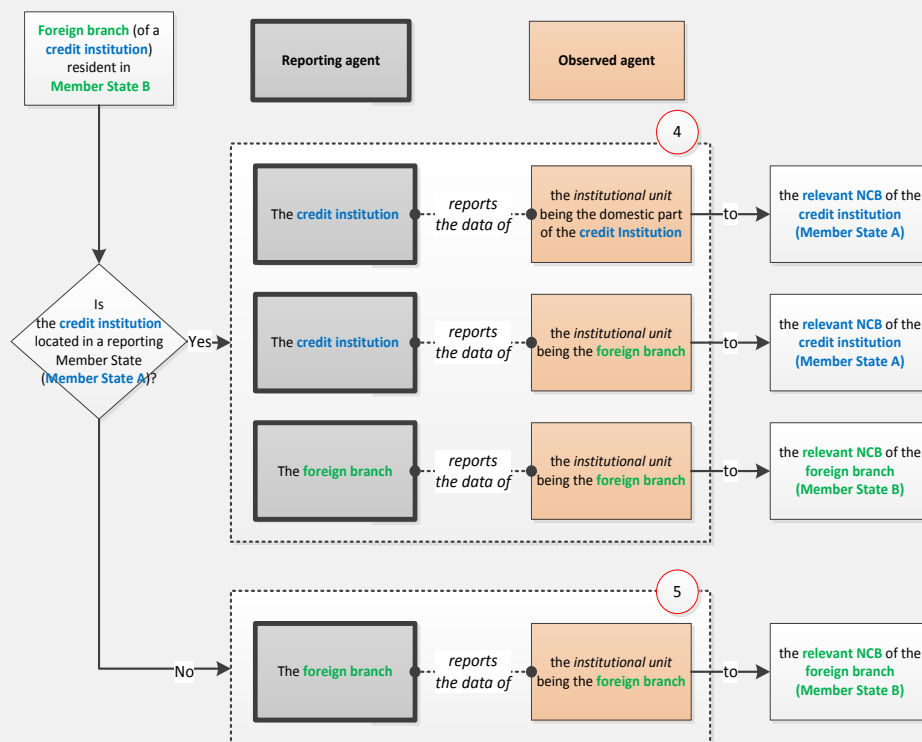


Chart 6: Reporting agent's obligations – the perspective of a resident foreign branch of a credit institution

This is an overview of a reporting agent's obligations to report on its observed agents' activities as creditor or servicer, using the example of a foreign branch of a credit institution resident in a reporting Member State. The flow chart presents the comprehensive reporting obligation of the resident foreign branch and possibly of the credit institution of which the foreign branch is a legally dependent part, depending on whether or not the credit institution is resident in a reporting Member State.



The resident foreign branch is a reporting agent. In addition, if the credit institution of which the foreign branch is a legally dependent part is also resident in a reporting Member State, the credit institution is also a reporting agent. Two cases arise:

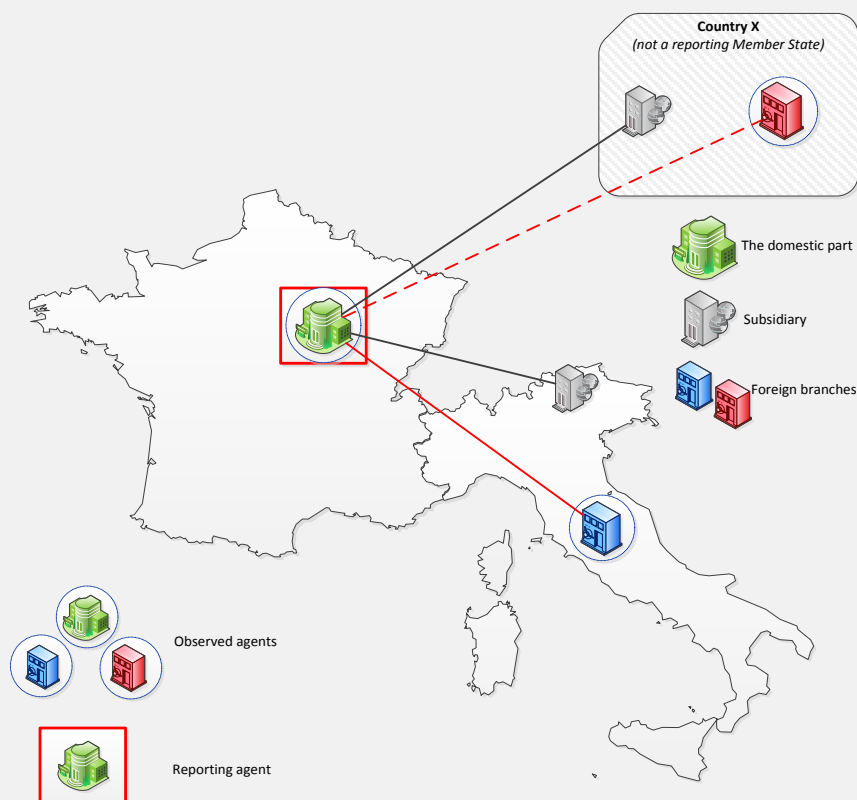
4. The credit institution of which the resident foreign branch is a legally dependent part is resident in a reporting Member State – in this case the following applies:
 - a) The resident foreign branch is a reporting agent and reports on its own activity as creditor or servicer (i.e. the resident foreign branch is also the observed agent). The reporting agent reports the data of the observed agent to the NCB in the Member State where the foreign branch is located.
 - b) The credit institution of which the resident foreign branch is a legally dependent part is also a reporting agent and reports on the activity as creditor or servicer of (i) the one observed agent being the domestic part of the credit institution and (ii) the other observed agent being the foreign branch; both sets of data are reported to the NCB in the country where the credit institution is established.
5. The credit institution of which the resident foreign branch is a legally dependent part is not resident in a reporting Member State – in this case the resident foreign branch is the reporting agent and reports on its own activity as creditor

or servicer (i.e. the resident foreign branch is also the observed agent). The reporting agent reports the data of the observed agent to the NCB in the country where the foreign branch is located. The credit institution of which the resident foreign branch is a legally dependent part is not a reporting agent.

- 1 Chart 7 illustrates the reporting obligation of a credit institution with foreign branches
- 2 and subsidiaries following the concepts of reporting and observed agents (see also
- 3 Chart 4 above).

Chart 7: Reporting obligations of a credit institution with foreign branches and subsidiaries

The reporting agent's obligations are presented using the example of a credit institution established in one country with foreign branches and subsidiaries in other countries. Specifically, the credit institution established in France has foreign branches in Italy and country X (which is not a reporting Member State), and subsidiaries which conduct banking business in Italy and country X (the subsidiaries are credit institutions according to Article 1(18) of the AnaCredit Regulation).



From the perspective of the Banque de France (BdF), the credit institution is the reporting agent and reports to the BdF the data relating to its observed agents. The data are reported separately for each observed agent:

- data for domestic part of the credit institution established in France;
- data for the foreign branch resident in Italy;
- data for the foreign branch located in country X.

With regard to point (3), please note that in line with Article 6(4) of the AnaCredit Regulation, the BdF may decide not to collect any data for foreign branches located in

countries which are not a reporting Member State.

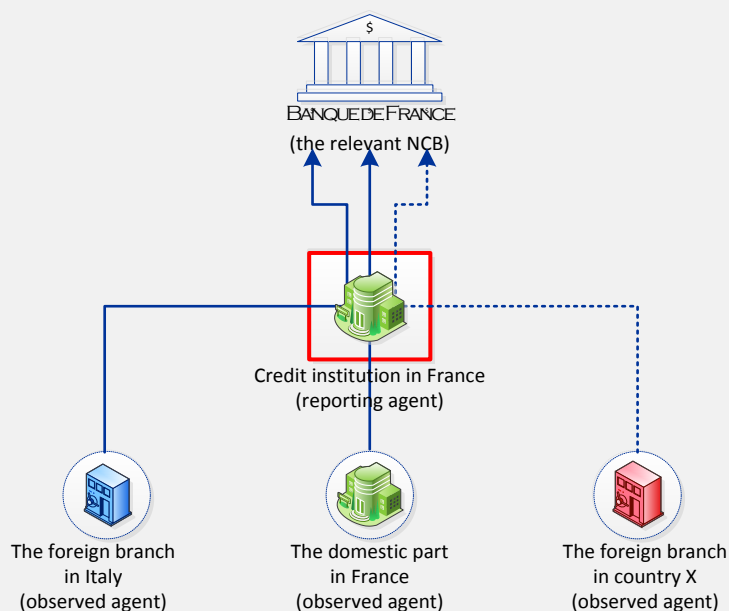
The credit institution does not report data relating to either of the two subsidiaries to the BdF.

If we consider the credit institution's situation from the perspective of the Italian national central bank, the following applies:

- The foreign branch in Italy is a reporting agent in Italy and reports data on its own activity as creditor or servicer to the Banca d'Italia (BdI).
- The foreign branch in Italy is not a reporting agent for the subsidiary in Italy.
- The foreign branch in Italy is not a reporting agent for any entity outside Italy.
- The subsidiary in Italy is a reporting agent in its own right in Italy and reports data on its own activity as creditor or servicer to the BdI. In other words the subsidiary itself – or the domestic part thereof together with the subsidiary's foreign branches, if it has any – is its observed agent).
- The subsidiary in Italy is not a reporting agent for the foreign branch in Italy.
- The subsidiary in Italy is not a reporting agent for any entity in country X.

Finally, since country X is not a reporting Member State, neither the subsidiary in country X nor the foreign branch in country X is a reporting agent.

The credit institution's reporting obligations are depicted in the flow chart below:



As the subsidiaries in Italy and country X are not observed agents from the perspective of the BdF, these are not subject to the reporting agent's reporting obligations. Please note that if the BdF decides to exercise the provision under Article 6(4) of the AnaCredit Regulation, the reporting agent may be exempted from reporting data for the foreign branch in country X (this option is represented by a dotted line).

2.3.4

Changes in the population of reporting agents

- 1 Revision mark: a qualification of "deposit-taking corporation" is added
- 2

A change in the population of reporting agents occurs whenever a credit institution or a foreign branch of a credit institution is established or ceases to exist (i.e. as the

1 result of a merger or takeover, the split of an existing credit institution, the
 2 establishment of a brand new credit institution, a change in status from a
 3 deposit-taking corporation other than a credit institution to a credit institution, or the
 4 liquidation of a credit institution or foreign branch).

2.3.5 Reporting standards to be applied by reporting agents

5 NCBs will inform reporting agents
 6 about the timeliness of reporting

7 Pursuant to Article 13(2) of the AnaCredit Regulation, NCBs decide when and how
 8 often they receive data from reporting agents in order to meet their reporting
 9 deadlines to the ECB, and inform the reporting agents accordingly.

10 Specifically and according to Annex V of the AnaCredit Regulation, when fulfilling
 11 their reporting obligations in the context of AnaCredit reporting, reporting agents
 12 satisfy reporting standards that include but are not limited to the following:

- (a) reporting to NCBs is timely and within the deadlines set by the relevant NCB;
- (b) statistical reports take their form and format from the technical reporting requirements set by the relevant NCB;
- (c) the technical specifications for data transmission to the relevant NCB are followed.

11 NCBs also determine whether third parties may submit reports on behalf of reporting
 12 agents.

2.3.6 Relevant accounting standards

13 Point 6.2 of Annex I, Template 2, of the AnaCredit Regulation stipulates that the
 14 accounting data of an observed agent that are reported to AnaCredit comply with the
 15 accounting standard used by the observed agent's legal entity.

16 Specifically, the accounting standard relevant for any observed agent is the
 17 accounting standard used by the credit institution of which the institutional unit (i.e.
 18 the observed agent) is part. The accounting standard is relevant for AnaCredit
 19 reporting in general and not only in relation to the data attributes in the accounting
 20 dataset referred to in Annex I of the AnaCredit Regulation (cf. Section 6 for more
 21 information regarding reportable datasets).

22 This means in particular that if the observed agent's legal entity is subject to
 23 Regulation (EU) 2015/534 (ECB/2015/13), the data are reported in accordance with
 24 either International Financial Reporting Standards (IFRS) or national generally
 25 accepted accounting principles (GAAP) – depending on which standards are applied
 26 by the legal entity to report its individual FINREP templates to its supervisor.

2.3.7 Counterparty identifiers to be used in relation to reporting and observed agents

- 1 The AnaCredit Regulation requires that both the reporting agent which reports the
2 data and the observed agent whose activity as creditor or servicer is reported be
3 identifiable. For this reason, all the data reported, with the exception of the
4 counterparty reference data, include the identifier of the reporting agent and the
5 observed agent.
- 6 The identifiers are counterparty identifiers. In the primary reporting (i.e. between
7 reporting agents and the relevant NCB), the identifiers are uniquely assigned at the
8 level of the reporting agent. In the secondary reporting (i.e. between NCBs and the
9 ECB), the identifiers are assigned by the relevant NCB, ensuring that they are
10 uniquely assigned at national level.
- 11 Whether the same identifiers are used in the primary and secondary reporting
12 depends on national arrangements.

Revision mark: the former Section 2.3.8 dealing with special reporting values has been moved to Section 2.2 in Part II of the Manual

2.3.8 The first reporting reference date

- 13 *Revision mark: this paragraph has* As stated in Article 2(1) of the AnaCredit Regulation, 30 September 2018 is the first
14 *been moved up from former Section 5.2.1* reporting reference date.

3 Counterparties in AnaCredit

This chapter describes counterparties in the context of AnaCredit and provides definitions of both counterparties directly involved in instruments and counterparties acting as protection providers. Furthermore, a specific section is dedicated to counterparties affiliated with debtors and protection providers. More detailed guidance on counterparties is provided in Chapters 6 and 12 of Part II of the Manual, which deal specifically with the counterparty reference data and the counterparty-instrument data (with data on the counterparty role).

3.1 Identification of counterparties relevant in AnaCredit

In the context of AnaCredit, counterparty means an institutional unit that is a party to an instrument or to a protection item, or has an affiliation with such a party.

All counterparties taking any of the roles in relation to instruments should be registered in the counterparty reference data, unless a counterparty is a natural person

The AnaCredit Regulation stipulates that all counterparties (that are not natural persons) which take any of the following roles are relevant counterparties and are registered in the counterparty reference data:

- the debtor of the instrument;
- the creditor of the instrument;
- the servicer of the instrument;
- the originator of the instrument, if the instrument is subject to securitisation;
- the protection provider that provides protection (if any) to the instrument;
- the head office undertaking of (a foreign branch that is) a debtor of the instrument or a protection provider that provides protection to the instrument;
- the immediate parent undertaking of any debtor of the instrument, or of any protection provider that provides protection to the instrument;
- the ultimate parent undertaking of any debtor of the instrument, or of any protection provider that provides protection to the instrument.

Revision mark: editorial changes are applied

These and only these counterparties are recognised in AnaCredit.

Counterparties in AnaCredit are institutional units and legal entities are therefore identified at the level of their institutional units, i.e. their domestic parts and foreign branches (if any)

It is underlined that the concept of a counterparty is based on the concept of the institutional unit, which is discussed in Section 2.1.2 in relation to reporting and observed agents and further in Section 3.4 in relation to counterparties other than reporting and observed agents. Therefore, with regard to any legal entity AnaCredit distinguishes between a counterparty which is the domestic part of the legal entity and counterparties which are foreign branches of the legal entity. Consequently, different institutional units of the same legal entity are identified with distinct

counterparty identifiers because they are different counterparties in the context of AnaCredit. This is discussed in more detail in Chapter 12 of Part II of the Manual, which deals specifically with the counterparty reference data.

When identifying counterparties in AnaCredit, the following steps essentially need to be considered:

(a) if reporting an instrument to AnaCredit as at a given reporting reference date, all counterparties are identified that take any of the following roles:

1. debtor of the instrument;
2. creditor of the instrument;
3. servicer of the instrument;
4. originator, if the instrument is subject to securitisation;

(b) if there is a protection item securing the instrument, the protection provider of the protection item is identified;

(c) once all counterparties taking the role of debtor or the role of protection provider have been identified, the following information is required:

1. the head office undertaking of the counterparty,⁸
2. the immediate parent undertaking of the counterparty (if any);
3. the ultimate parent undertaking of the counterparty (if any);

(d) ultimately, all counterparties identified along steps a), b) and c) are registered in the counterparty reference data as of the given reporting reference date;

(e) however, the requirement in point 5(d) above is waived for all counterparties which are natural persons, because data on natural persons are not collected in AnaCredit.

⁸ Please note that the head office undertaking identifier should always be registered if the counterparty is a foreign branch (and is recommended to be registered for a special fund – see also Section 12.1.1 of Part II of the Manual, which deals specifically with the counterparty reference data). If the counterparty is the domestic part of a legal entity, the head office undertaking identifier coincides with the counterparty identifier of the domestic part. Many data attributes in the counterparty reference dataset refer to the legal entity (e.g. status of legal proceedings, enterprise size, etc.) and no proper value is thus reported in the counterparty reference dataset of the institutional unit which is a foreign branch/special fund. As the data should be available for the legal entity, it is necessary that the record of the foreign branch is linked with the record of the legal entity via the head office undertaking identifier and a record of counterparty reference data should be reported for the head office undertaking/the domestic part of the legal entity.

1	The head office undertaking is also	The counterparties in AnaCredit are not only domestic parts and foreign branches of
2	be identified for special funds that	a legal entity but also unincorporated investment funds (“special funds”). Since
3	are debtors in AnaCredit	special funds and their managing financial corporations are deemed to have a
4	<i>Revision mark: clarification is</i>	relationship analogous (but not identical) to that of the foreign branches and
5	<i>added following Q&A 2018/0025</i>	domestic part of a legal entity, special funds are identified in a similar manner to
6	<i>that the treatment of special funds</i>	foreign branches (cf. Section 12.2.2 in Part II of the Manual).
	<i>is analogous, but not identical, to</i>	
	<i>the treatment of foreign branches</i>	
7		While a counterparty may take one or more of these roles in relation to one or more
8		instruments as at a given reporting reference date, each counterparty is only
9		registered in the counterparty reference data once as at that date. ⁹
10		In accordance with these steps, the counterparties are broadly grouped into three
11		categories:
12	A counterparty is directly related to	First, considering an instrument that is required to be reported to AnaCredit,
13	an instrument if the counterparty is	counterparties that are directly related to the instrument are identified. These are:
14	a debtor, creditor, servicer or	(1) the debtor that is obliged to pay to the creditor an amount of money that arises
15	originator of the instrument	under the instrument; (2) symmetrically, the creditor that has the right to receive a
16		payment that the debtor is obliged to make under the instrument; (3) the servicer that
17		is responsible for the administrative and financial management of the instrument;
18		and (4) the originator that is the transferor of the instrument, and/or bears the credit
19		risk of the instrument, to a securitisation structure, if the instrument is subject to
20		securitisation. There may be more than one of the counterparties thus identified in
21		relation to a single instrument, and all these counterparties which are not natural
22		persons are identified and recorded in the counterparty-instrument dataset along
23		with the roles they take in relation to the instrument.
24	As regards protection items	Second, counterparties related to any protection items that secure the instrument
25	provided by several protection	(i.e. the payments under the instrument that the debtor is obliged to make) are
26	providers (for example, joint	identified. Specifically, (5) the protection provider is the counterparty that grants
27	guarantors), credit institutions	protection against a contractually agreed negative credit event and that bears the
28	identify all protection providers but	credit risk of the negative credit event. All protection providers that are not natural
29	report only one of them in the	persons are identified and recorded in the protection received dataset. Generally
30	protection received dataset	there may be more than one protection provider in relation to any protection item.
31		However, the requirements of AnaCredit are currently such that only one protection
32		provider is reported in relation to protection. ¹⁰
33		Finally, there are counterparties that are not directly related to the instrument or any
34		protection item securing the instrument but are affiliated with the debtors or the
35		protection providers identified in relation to the instrument. These are: (6) the head
36		office undertaking, which represents the legal entity of which the foreign branch (or

⁹ The counterparty may, however, be registered more than once in the counterparty-instrument or protection received dataset.

¹⁰ For instance, it has been recognised that in the case of financial guarantees provided by several (joint) guarantors, the AnaCredit data model does not allow all the protection providers to be recorded. Consequently, the data model is due to be enhanced in the future. Reporting agents are nevertheless advised to identify all protection providers before the enhancement takes place, although only one of them can effectively be received in AnaCredit at present. Please refer to Section 6.2.2.4.4 for details regarding how such cases are reported to AnaCredit.

the special fund) is a legally dependent part; (7) the immediate parent undertaking, which is required for all debtors and protection providers and is the counterparty which, following the concept of a parent undertaking as defined in Article 4(1)(15) of the CRR, owns or controls the debtor or protection provider and of which the debtor or protection provider is a subsidiary; and (8) the ultimate parent undertaking, which is required for all debtors and protection providers and is the counterparty which, following the concept of a parent undertaking as defined in Article 4(1)(15) of the CRR, is the ultimate parent undertaking of the debtor or protection provider and has no parent undertaking. All such counterparties which are not natural persons are identified and recorded in the counterparty reference data.

Each counterparty registered in the respective datasets should be uniquely registered in the counterparty reference data

For all counterparties identified and recorded in the respective datasets, the counterparty reference data contain a single data record describing the counterparty.

In other words, the counterparty reference data contain information about all relevant counterparties related to all the instruments and all the protection items (if any) reported to AnaCredit, as well as all affiliated counterparties, as explained above.

The counterparty reference data reported to AnaCredit by a reporting agent effectively contain only one record for each counterparty as at a given reporting reference date irrespective of how many observed agents (of the reporting agent) actually relate to the given counterparty and regardless of how many roles the counterparty takes on across the related observed agents.

The definitions of the counterparties distinguished are discussed in the following sections.

3.2 Counterparties directly involved in instruments

Instruments reported to AnaCredit should have a debtor, creditor and servicer

Generally, for AnaCredit, a creditor, servicer and debtor are always identified for each instrument concerned. While there are also other counterparty roles that are relevant in the context of AnaCredit, only the roles of creditor, servicer and debtor are indispensable for determining the reporting obligation vis-à-vis an instrument. Please refer to Sections 3.2.1.1 and 4.2 for details regarding how the roles of debtor, creditor and servicer link with the reporting criteria for AnaCredit.

More detailed guidance regarding the counterparty-instrument dataset is provided in Chapter 6 of Part II of this Manual, which deals specifically with this dataset.

3.2.1 Debtor

Article 1(12) of the AnaCredit Regulation defines a debtor as the counterparty which has the unconditional obligation to make repayments arising under the instrument. Consequently, and in line with Annex IV of the AnaCredit Regulation, the debtor is the counterparty that generates the credit risk of an instrument.

There is always a debtor of any instrument in AnaCredit

Accordingly, any counterparty which is unconditionally obliged to make payments under an instrument qualifies as a debtor. For example, granting a credit to an institutional unit makes the institutional unit a debtor under the AnaCredit Regulation, because the institutional unit is a counterparty to the instrument.

Revision mark: this paragraph is enhanced to clarify that instruments need not be essentially provided by the observed agent in order to be subject to AnaCredit reporting

In general, the (original) creditor has provided funds to the debtor or has confirmed to the debtor in legally binding terms that it will make funds available to the debtor under the assumption (enforced by contract) that the debtor will return equivalent funds (and interest payments). However, in some cases, the (original) creditor need not provide funds directly to the debtor but it has a right to receive payments from it (e.g. when a guarantee is called and the guarantor pays amounts to the creditor when the debtor fails to do so, the guarantor consequently has a claim on the debtor and therefore becomes a creditor to the debtor (cf. Example 50 in Part II of the Manual)).

An instrument may have one or more debtors from which the creditor has the right to receive a payment or a series of payments.

Plurality of debtors is also referred to as plural obligations

If there are several debtors of the same instrument, a plurality of debtors occurs.

More specifically, a plurality of debtors occurs when two or more counterparties have the unconditional obligation to make repayments arising under the same instrument, irrespective of whether each debtor is (a) fully or (b) partially liable for the instrument. In the context of AnaCredit, debtors are fully or partially liable debtors when they unite, by contract, in making repayment arising under the same contract. Whether a case of fully or partially liable debtors is present depends on the terms in the contract regulating the obligation. More details about how to report the different possibilities are provided in Sections 6.1.3, 6.1.4 and Chapter 7 of Part II of the Manual, which deal specifically with the counterparty-instrument dataset and the joint liabilities dataset respectively.

In the case of a plurality of debtors, all the debtors are identified, but only debtors that are not natural persons are actually reported to AnaCredit (cf. Section 6.2.2.2 regarding reporting requirements in relation to instruments granted to both legal entities and natural persons and Section 6.1.4 in Part II of the Manual on natural persons).

3.2.1.1 Type of debtor driving AnaCredit reporting

Pursuant to Article 4(1)(b) of the AnaCredit Regulation, whether or not an instrument held or serviced by the observed agent is subject to reporting depends on the type of debtor of the instrument. Only those instruments where the debtor is a legal entity or part of a legal entity are subject to AnaCredit reporting.

A legal entity is defined in Article 1(5) of the AnaCredit Regulation as any entity which, under the national law to which it is subject, can acquire legal rights and obligations.

1	In AnaCredit, legal entities are entities other than natural persons	In the context of AnaCredit, a legal entity is an entity which is not a natural person and which can acquire legal rights and obligations under the national law to which it is subject.
2		
3		
4	No natural persons in AnaCredit	AnaCredit focuses only on debtors which are legal entities or part of a legal entity (i.e. an institutional unit), and only such debtors are required to be identified and registered. Conversely, debtors that are natural persons, and consequently instruments where all debtors are natural persons, fall outside the scope of AnaCredit.
5		
6		
7		
8		
9	Sole proprietors fall within the scope of AnaCredit only if they are legal entities according to national law	For clarification, sole proprietors (as defined in Annex A to Regulation (EU) No 549/2013) fall outside the scope of AnaCredit unless they are legal entities according to national law.
10		
11		
12		More guidance in relation to the definition of legal entities and, in particular, how it applies to partnerships and other smaller entity types is discussed in more detail in Chapter 12 in Part II of the Manual, which deals specifically with the counterparty reference data.
13		
14		
15		

3.2.2 Creditor

16		A creditor in the AnaCredit Regulation is the counterparty bearing the credit risk of an instrument other than a protection provider, i.e. the creditor is the counterparty that has the right to receive a payment, irrespective of whether the creditor collects the repayments directly or collection is carried out by a third party, which the debtor is unconditionally obliged to make under the instrument, and irrespective of whether or not the lack of payment is mitigated by any protection.
17		
18		
19		
20		
21		
22	Revision mark: explicit clarification is added that the debtor and the creditor of an instrument are two different counterparties	In the context of AnaCredit, creditor and debtor are symmetrical concepts. As a consequence, the creditor and the debtor of an instrument can never be one and the same counterparty.
23		
24		
25		Generally, creditors lend funds to debtors, which leads to the creation of one of the instruments referred to in Article 1(23) of the AnaCredit Regulation, irrespective of whether the creditor originated the instrument or acquired its economic ownership. ¹¹
26		
27		
28	There is always a creditor of any instrument in AnaCredit	For each instrument reported to AnaCredit, a creditor is explicitly identified and reported in the counterparty-instrument dataset.
29		
30		The role of the creditor is illustrated in Example 1, which describes the basic mechanics of traditional securitisations.
31		

¹¹ Counterparties that acquire the economic ownership of an instrument from a third party become the creditor of the instrument from acquisition even though they have not directly lent funds to the debtor.

Example 1: Creditors vis-à-vis traditional securitisation transactions

A traditional securitisation is a transfer of an instrument (or pool of instruments, or part thereof) to a financial vehicle corporation (FVC), either by the transfer of legal title or beneficial interest of the instruments from the originator or through sub-participation where one or more sub-participants agree to fund an instrument in return for the right to receive the principal and interest repayments for the instrument.

These are securitisations where the transferee acquires the economic ownership of the instrument, in other words the legal title or the risk and rewards of the transferred instruments.

In these securitisations, from the moment of the onward transfer, the transferor (i.e. the original creditor) ceases to be the creditor of the instrument and the transferee (i.e. the counterparty that acquires the instrument) becomes the new creditor.

When the original creditor only transfers part of the economic ownership of an instrument, this counterparty remains the creditor to that part of the instrument that it retains. In addition, because this transaction implies a true sale of the part of the instrument that has been transferred, the transferee holds a new instrument in the amount of the transferred part of the original instrument, where the transferee is the creditor to this new instrument (i.e. the transferee acquires its economic ownership).

1 *Revision mark: a reference to*
2 *Part II of the Manual is added*

More guidance on creditors is provided in Sections 6.1.2 and 6.4.1 in Part II of the Manual.

3.2.2.1 Observed agent acting as creditor

3 Instruments that are held by the observed agent are all those instruments of which
4 the observed agent is the creditor. All such instruments are considered to give rise to
5 credit risk for the observed agent. In other words, the following three expressions are
6 deemed to have the same meaning and are used interchangeably:

- 7 • instruments held by the observed agent;
- 8 • instruments in which the observed agent is the creditor;
- 9 • instruments that give rise to credit risk for the observed agent.

10 Please note that holding an instrument does not imply that the instrument held is an
11 asset of the holder of the instrument – cf. Section 4.4 for more details.

3.2.3 Servicer

12 Article 1(14) of the AnaCredit Regulation defines a servicer as the counterparty
13 responsible for the administrative and financial management of an instrument.

14 *In the context of AnaCredit, servicer*
15 *relates both to securitised or*
16 *otherwise transferred instruments*
17 *and to fiduciary instruments*

Please note that the role of servicer is defined more broadly than within the meaning of Regulation (EU) No 1071/2013 (ECB/2013/33) (hereinafter referred to as the “BSI Regulation”), where it is restricted to managing instruments underlying a securitisation or instruments that have otherwise been transferred in terms of the

1		collection of principal and interest from the debtor. In other words, the term servicer
2		in the sense of the BSI Regulation is subsumed in the AnaCredit definition.
3	<i>The servicer should be identified for each instrument</i>	The AnaCredit requirements stipulate that the servicer is identified for each
4		instrument registered in the instrument dataset and the counterparty that acts as
5		servicer registered in the counterparty-instrument dataset.
6	<i>In the most common case, the creditor also acts as the servicer</i>	Most commonly, the roles of creditor and servicer are assumed by the same
7		counterparty, i.e. the creditor that holds an instrument is also responsible for its
8		administrative and financial management. However, there are specific cases where
9		the counterparties taking on these two roles need not coincide.
10	<i>Revision mark: clarification is added that the creditor does not necessarily retain servicing rights</i>	For instance, by selling or otherwise transferring the economic ownership of an
11		instrument rather than holding it, the previous owner of the instrument generally
12		ceases to be the creditor of the instruments, but it normally (but not necessarily)
13		retains servicing rights. In this case the servicer and the creditor are different
14		counterparties and are both registered in the counterparty-instrument dataset from
15		the moment of transfer onwards.
16	<i>Revision mark: clarification is added concerning the possibility that the debtor and the servicer are the same counterparty</i>	In a similar vein, in some cases, especially in interbank lending (cf. Section 3.4.1 in
17		Part II of the Manual concerning reporting in the case of nostro/vostro accounts), the
18		debtor of an instrument may also be the servicer of the instrument.
19	<i>Revision mark: this paragraph and the example are added in line with Q&A 2018/0007</i>	The servicer is the counterparty that is responsible for the active management of an
20		instrument on a day-to-day basis (i.e. the counterparty that has the direct relationship
21		with the debtor, e.g. collecting principal and interest payments), even if that
22		institution does not have any decision-making power in respect of the instrument
23		being serviced. Consider the following example.
Example 2: “Servicer” responsible for the administrative and financial management An instrument is originated by a credit institution and then transferred to another institution. Under the contract between the originating credit institution (the transferor) and the institution which acquires the instrument (the transferee), the transferee has all of the decision-making power in respect of the instrument. However, the administrative processing continues to be performed by the transferor. Let’s assume that the transferee is a “bad bank” which is not required to report to AnaCredit. The instrument’s former creditor (i.e. the transferor), which acts as the servicer of the instrument, is required to report to AnaCredit on the serviced instrument. The transferor carries out all day-to-day business in respect of the instrument on behalf of the “bad bank”. Even though the transferor does not have any decision-making power in respect of the instrument being serviced, the work that it carries out is included in the definition of servicing, as explained in Section 6.4.1 in Part II of the Manual. Consequently, it is the transferor (rather than the new creditor, which is not a reporting agent in the AnaCredit framework) that is required to report to AnaCredit on the instrument in question.		
24	<i>Revision mark: a reference to Section 4.2 is added</i>	Please refer to Section 4.2 for more details on the activity of observed agents as
25		creditors or servicers.

3.2.4 Originator

In the case of instruments registered in the instrument dataset that are subject to securitisation within the meaning of the Regulation (EU) No 1075/2013 (hereinafter referred to as “the FVC Regulation”), the AnaCredit Regulation stipulates that the counterparty acting as the originator of such a securitisation transaction is identified.

Pursuant to the FVC Regulation, the originator is the transferor of an instrument or pool of instruments, and/or the credit risk of the instrument or pool of instruments to the securitisation structure.

Furthermore, in accordance with the FVC Regulation, a securitisation is a transaction in which an FVC issues financing instruments to investors, and one or more of the following takes place:

- (a) an instrument or pool of instruments, or part thereof, is transferred to the FVC either by the transfer of legal title or beneficial interest of those instruments from the originator or through sub-participation;
- (b) the credit risk of an instrument or pool of instruments, or part thereof, is transferred through the use of credit derivatives, guarantees or any similar mechanism to the investors.

Whether or not an instrument is subject to securitisation is indicated accordingly in the data attribute “type of securitisation” in the financial dataset.

For instruments subject to securitisation, the identification of the originator in the counterparty-instrument dataset is mandatory

Consequently, for such instruments, where the data attribute “type of securitisation” assumes either of the two values (a) “traditional securitisation” or (b) “synthetic securitisation”, the counterparty that is the originator in the securitisation transaction is identified. Conversely, if an instrument is not subject to securitisation, no originator needs to be identified, even when the economic ownership of the instrument has been transferred to a third party which becomes a new creditor and the transferor remains the servicer.

Revision mark: a reference to instruments subject to securitisation in Part III of the Manual is added

Securitised instruments are typically still serviced by the originator. If this is the case, the originator is also the servicer and the same counterparty is thus registered as both originator and servicer in the counterparty-instrument dataset. For more information regarding instruments subject to securitisation, refer to Chapter 6 in Part III of the Manual.

3.3 Counterparties acting as protection providers

3.3.1 Protection provider

The term protection provider is defined in Article 1(13) of the AnaCredit Regulation as the counterparty that grants protection against a contractually agreed negative credit event and that bears the credit risk of the negative credit event.

In the context of AnaCredit reporting, every protection item is granted by a protection provider. For example, if real estate serves as protection, the owner of the real estate is the protection provider. If government bonds owned by a legal entity are pledged to secure an instrument (a loan), the legal entity is the protection provider.

The protection provider typically differs from the counterparty that issues the protection, although the two do coincide for some types of protection. For instance, guarantors who issue guarantees also act as protection providers – cf. Section 6.2.2.4.

A protection provider is clearly distinguished from a debtor, and the distinction between the debtor and the protection provider vis-à-vis an instrument is based on who bears the unconditional obligation to make payments under the instrument. In particular, the debtor is the counterparty that is unconditionally obliged to pay, whereas any counterparty that is conditionally obliged to make payments or to otherwise cede (pledged) protection to the creditor (i.e. upon the occurrence of a certain negative credit event) is the protection provider.

For instance, in the case of a loan the debtor is the counterparty to which the loan is granted and which is unconditionally obliged to pay it back. This counterparty is also the debtor if the loan is secured by a third-party financial guarantee, as the guarantor is only conditionally obliged to pay, i.e. the creditor does not have the right to request payment from the guarantor unless the debtor fails to meet its payment obligation. Similarly, the creditor does not have the right to seize the assets of the debtor pledged as protection unless the debtor fails to meet its payment obligation.

The distinction between a debtor and a protection provider is further illustrated in Example 3 and results from the way credit is generally modelled in AnaCredit, where the instrument part is separated from the protection part (cf. Section 6.1).

Example 3: Debtor or protection provider?

For the purpose of AnaCredit, the distinction between the debtor of the instrument and the protection provider that provides a protection item securing the instrument is generally based on who bears the unconditional obligation to make payments under the instrument.

In particular, the debtor is the counterparty that is unconditionally obliged to make payments, whereas any counterparty that is obliged only upon the occurrence of a certain negative credit event is the protection provider.

For a loan secured by a guarantee whereby the guarantor agrees to pay to the creditor if the debtor defaults, the guarantor is a protection provider as it is only obliged to provide payment upon the default of the debtor, which is not an unconditional obligation.

However, the credit relationship is recorded between the creditor and the debtor until such time as the guarantee is called, with the guarantor as protection provider, after the guarantee is called the guarantor has an unconditional obligation to the creditor and therefore assumes the role of debtor. At this point, if the guarantor is also a reporting agent in the context of AnaCredit, the guarantor may also record a claim on the debtor on its balance sheet. The claim needs to be reported to AnaCredit, where relevant. The reason for reporting claims arising in this way to AnaCredit is that from the moment the guarantor pays the original creditor it becomes a (new) creditor of the debtor.

1		A protection provider is also distinguished from a creditor.
2	The distinction between a creditor and a protection provider	
3		
4	<i>Revision mark: this paragraph is completed with clarification of the difference between a creditor and a protection provider</i>	
5		More specifically, the distinction between a creditor and a protection provider is that
6		under a credit contract a creditor has the right to receive a payment (or series of
7		payments) from the debtor unconditionally, but is entitled to receive payment from
8		the protection provider only if the debtor fails to pay. The protection provider either
9		makes payments or otherwise transfers (pledged) assets to the creditor subsequent
10		to a contractually agreed negative credit event taking place, and may often have the
		right to recover those funds from the debtor and is entitled to assignment of the
		creditor's right against the debtor. Nevertheless, the creditor exercises this right in
		the first place.
11	<i>Revision mark: further clarification regarding the protection provider is added in line with Q&A 2018/0051</i>	
12		The protection received in the form of (pledged) assets may be explicit (e.g.
13		mortgage claims or securities pledged as collateral) or implicit (e.g. financial leases
14		and reverse repurchase agreements) in the contract. Nonetheless, irrespective of
15		how the protection is received, the protection provider cannot be the same
16		counterparty as the creditor, as protection is essentially about a transfer of the credit
17		risk where the loss absorption in the event of a default is transferred from the creditor
18		to a counterparty other than the creditor (see Article 1(11) and (13) of the AnaCredit
		Regulation).
19		The distinction between the role of the creditor and that of the protection provider is
20		illustrated by comparing the basic mechanics of traditional and synthetic
21		securitisations, as shown in Example 4.

Example 4: Creditor and protection provider vis-à-vis securitisation transactions

With regard to instruments that are subject to securitisation, a broad distinction is made between:

- Traditional securitisations (cf. Example 1 above).

In the case of traditional securitisations that are true sales, the transferee becomes the new creditor of the part of the instruments over which it has acquired economic ownership.

- Synthetic securitisations – transfer of the credit risk of an instrument (or pool of instruments, or part thereof), through the use of credit derivatives, guarantees or any similar mechanism to the investors in the financing instruments issued by an FVC. FVCs in this category may not fund the instruments whose credit risk is being transferred.

In the case of synthetic securitisations, the counterparty that assumes the credit risk of an instrument through the use of credit derivatives, guarantees or any similar mechanism is not a creditor but a protection provider. Consequently, if the creditor transfers the instrument to a third party through the use of a guarantee, the transferor is the originator of the instrument and remains the creditor, while the third party becomes a protection provider of the instrument.

22	<i>Revision mark: a reference to Part II is added</i>	
23		

Please refer to Section 9.4.1 in Part II of the Manual for more details on protection providers.

3.4 Counterparties affiliated with debtors and protection providers

1 *Revision mark: the footnote is*
2 *dropped*

Following the institutional unit criterion, the counterparties are legal entities or parts of legal entities – i.e. foreign branches or the domestic part (headquarters plus all its domestic branch offices).

3.4.1 Head office undertaking, domestic part and foreign branches

3.4.1.1 Head office undertaking

4 The head office undertaking in the sense of AnaCredit is the legal entity of which the
5 foreign branch or the domestic part is a legally dependent part.

6 A legal entity can only have one head office undertaking. Consequently, both the
7 foreign branches and a domestic part can only have one head office undertaking.

8 *Since counterparties in AnaCredit*
9 *are institutional units, a legal entity*
10 *is identified by the domestic part of*
11 *the legal entity*

The head office undertaking is identified for all debtors and protection providers that are foreign branches (this identification is also recommended for debtors that are special funds – cf. Section 12.2.2.3 in Part II of the Manual). The head office undertaking identifier coincides with the counterparty identifier of the domestic part.

11 *Revision mark: the repeated*
12 *reference to the counterparty*
13 *identifier is dropped*

These counterparties are discussed in more detail in Section 12.4.4 in Part II of the Manual that deals specifically with the head office undertaking identifier.

3.4.1.2 Domestic part (of a legal entity)

14 *Revision mark: clarification is*
15 *added about the meaning of the*
16 *domestic part in line with*
17 *Q&A 2018/0044*

The domestic part (of a legal entity) is an institutional unit which is a legally dependent part of a legal entity resident in the same country as that where the legal entity is incorporated. Please note, however, that in the AnaCredit data model, a legal entity is in fact indistinguishable from its head office/domestic part as far as the identification of counterparties is concerned. Consequently, these terms are often used interchangeably in this regard (cf. Section 12.1 in Part II of the Manual).

Revision mark: the clarification on
the head office undertaking
identifier has been moved to Part II
of the Manual

3.4.1.3 Foreign branches

20 A foreign branch is an institutional unit which is a legally dependent part of a legal
21 entity located in a country other than where the legal entity is incorporated.

22 According to Article (1)(4) of the AnaCredit Regulation, a foreign branch is an
23 institutional unit which is a legally dependent part of a legal entity resident in a

1 different country to that where the legal entity is incorporated in accordance with the
 2 concept of a “single branch” referred to in Article 2(3) of Regulation (EC) No
 3 2533/98.

4 Accordingly, as there cannot be more than one institutional unit of a legal entity in a
 5 country, there can only be one foreign branch in a given country.

6 The head office undertaking of a foreign branch is identified by means of the
 7 counterparty identifier of the domestic part (of the legal entity of which the foreign
 8 branch is part).

*Revision mark: the former Section
 3.4.1.3.1 has been moved to
 Section 12.2.2.2 in Part II of the
 Manual which deals specifically with
 special funds*

3.4.2 Immediate parent undertakings

9 The term immediate parent undertaking is defined in Annex IV of the AnaCredit
 10 Regulation as the legal entity which is the immediate parent undertaking of the
 11 counterparty. The AnaCredit Regulation also specifies that parent undertaking has
 12 the same meaning as defined in Article 4(1)(15)(a) of the CRR.

13 According to Article 4(1)(15)(a) of the CRR parent undertaking means a parent
 14 undertaking within the meaning of Articles 1 and 2 of Directive 83/349/EEC.

15 For a counterparty that is the domestic part or a foreign branch of a legal entity, the
 16 immediate parent undertaking of the counterparty is the legal entity which is the
 17 immediate parent undertaking of the legal entity of which the counterparty is part.

18 As counterparties in AnaCredit are institutional units, a legal entity is identified by the
 19 domestic part of the legal entity (cf. Section 3.4.1.2).

*Revision mark: the clarification
 about the immediate parent
 undertaking identifier has been
 moved to Section 12.4.5 in Part II of
 the Manual*

3.4.3 Ultimate parent undertakings

20 The term ultimate parent undertaking is defined in Annex IV of the AnaCredit
 21 Regulation as the legal entity which is the ultimate parent undertaking of the
 22 counterparty. This ultimate parent undertaking has no parent undertaking. The
 23 AnaCredit Regulation also specifies that parent undertaking has the same meaning
 24 as defined in Article 4(1)(15)(a) of the CRR.

25 According to Article 4(1)(15)(a) of the CRR, the parent undertaking means a parent
 26 undertaking within the meaning of Articles 1 and 2 of Directive 83/349/EEC.

- 1 *Revision mark: the clarification*
- 2 *about the ultimate parent*
- 3 *undertaking identifier has been*
moved to Section 12.4.6 in Part II of
the Manual

For a counterparty that is the domestic part or a foreign branch of a legal entity, the ultimate parent undertaking of the counterparty is the legal entity which is the ultimate parent undertaking of the legal entity of which the counterparty is part.

4 Instruments covered in AnaCredit

The purpose of this chapter is to provide a notion of what an instrument is and general reporting guidelines for identifying which instruments (within lending transactions) of credit institutions are subject to AnaCredit reporting.

Pursuant to the AnaCredit Regulation, instruments held by observed agents and instruments that are serviced by resident observed agents are considered in the context of AnaCredit reporting, provided that they fulfil the other conditions referred to in Articles 1, 4 and 5 of the AnaCredit Regulation. The criteria triggering the reporting obligations are discussed in Chapter 5.

In general, AnaCredit aims to provide an analytical view of credit risk regardless of the financial instrument or the accounting classification. As such, the requirements laid down in the AnaCredit Regulation aim to ensure that reporting agents report to AnaCredit credit and credit risk data for all their observed agents. In this connection, the AnaCredit Regulation distinguishes between (i) instruments held by observed agents and (ii) instruments serviced by observed agents.

With a view to identifying the instruments subject to reporting, this chapter focuses only on the counterparty roles of creditor, servicer and debtor that are indispensable for determining the reporting obligation vis-à-vis an instrument. It does not refer to other roles that are generally relevant for AnaCredit. For a complete list of the roles of counterparties please refer to Section 3.1 in the previous chapter.

4.1 The notion of contract and instrument

4.1.1 Contract

Pursuant to Article 1(22) of the AnaCredit Regulation, a contract is a legally binding agreement between two or more parties under which one or multiple instruments are created.

In the context of AnaCredit, a contract is a credit agreement between two or more entities, with an entity acting as debtor and an entity acting as creditor, under which the creditor normally provides the debtor with funds and the debtor commits to paying them back.

One credit contract can give rise to one or more instruments. Moreover, one credit contract may give rise to multiple credit facilities, and each credit facility may give rise to multiple instruments.

Revision mark: clarification is added that they may be one or more instruments under a single contract

4.1.2 Instrument

1	<i>In practice, instruments are typically associated with an account</i>	In AnaCredit, credit is understood as any form of financial accommodation supplied
2		by a creditor to a debtor under a credit contract. In this connection, an instrument is a
3		specific instance of credit arising under a contract, with specified characteristics,
4		enabling the debtor to receive from the creditor funds to an amount or value
5		regulated in the contract.
6		AnaCredit considers instruments in the way that they are typically managed by credit
7		institutions, i.e. it considers instruments as banking products with outstanding
8		balances and credit limits.
9		A credit contract may be managed as a whole but may have different characteristics
10		for each instrument.

4.1.2.1 Outstanding balances and credit limits

11	<i>Revision mark: this paragraph has been moved down from Section 4.1.2</i>	From the perspective of a credit institution, instruments may have a positive or credit
12		balance where the credit institution owes funds to the counterparty; or a negative or
13		debit balance where the counterparty (debtor) owes funds to the credit institution.
14		A credit limit, in respect of a specific moment in time, is the maximum debit balance
15		allowed on an account at any given moment under the terms of the credit
16		agreement.
17	<i>The debit balance should not at any time rise above the specified credit limit</i>	Credit limits are established during the origination process (approval process) and
18		are intended to restrict the amount of debt that the creditor extends to a given debtor
19		for the respective credit limit. When a debtor exceeds the credit limits, excesses
20		occur.
21		Outstanding balances as of a given date are the total payments made by or to the
22		debtor on the instrument's account within a given period, i.e. the balance of the
23		instrument's account at any point in time is the outstanding balance of the
24		instrument. In other words, outstanding balances are the amount of credit owed by
25		the debtor at a given point in time. For most instruments this is the total amount of
26		drawings and other amounts that are open under the instrument.
27	<i>Outstanding balances are measured on a gross basis, without netting collateral</i>	In the context of AnaCredit, all instruments' outstanding balances are measured (and
28		reported) without netting of protection, even in the case of 100% cash-backed
29		instruments.
30	<i>Credit cross-limit structures define a credit cross-limit which restricts the total amount to be drawn under one or more related instruments, often in addition to the individual credit limits of the instruments</i>	Please note that credit limits and outstanding balances may be measured at different
31		levels under the so-called credit cross-limit structures. Specifically, credit cross-limit
32		structures are points where outstanding balances are measured and compared to
33		credit limits. Depending on the type of business, credit limits only are granted at
34		certain levels of the credit cross-limit structure, whereas outstanding balances are
35		measured at all levels of the structure.

1	Multi-product credit facilities are typical examples of credit cross-limits, with the
2	amounts of credit available under two or more related products restricted not only by
3	the individual credit limits set for the products but also by the credit cross-limit.
4	The outstanding nominal amount is the amount drawn under the instrument; the off-balance sheet amount is the amount that can be potentially drawn so that the credit limit is not exceeded
5	For a given instrument reported to AnaCredit, the individual outstanding balances
6	under the instrument are reported in the data attribute “outstanding nominal amount”,
7	whereas the maximum amount by which the outstanding balance can still be
8	increased within the credit limit associated with the instrument (and/or within the
9	cross-limit following the credit cross-limit structure of which the instrument is a part)
10	is reported in the data attribute “off-balance sheet amount”.
11	For details and examples regarding credit limit structures and multiple instruments
12	under a credit cross-limit, please refer to Section 4.6.3 and also to Chapter 3 in
13	Part III of the Manual which deals specifically with credit facilities and credit cross-
	limits.

Revision mark: the paragraph about undrawn amounts has been moved down to Section 4.6.3

4.1.3 Type of instrument

14	The type of instrument is used to classify instruments depending on certain
15	characteristics.
16	Pursuant to Article 1(23) of the AnaCredit Regulation, only those instruments that are
17	specified in the data attribute “type of instrument”, as defined in Annex IV, are
18	considered for AnaCredit reporting. These types are:
19	• Reverse repurchase agreements
20	• Deposits other than reverse repurchase agreements
21	• Overdraft
22	• Credit card debt
23	• Revolving credit other than overdrafts and credit card debt
24	• Credit lines other than revolving credit
25	• Trade receivables
26	• Financial leases
27	• Other loans
28	This means that any instruments which do not fall under any of the types listed
29	above are not considered in AnaCredit.
30	As regards the distinction between the different types of instrument, more detailed
31	guidance is provided in Section 3.4.1 in Part II of the Manual, which deals specifically
32	with the instrument dataset where the data attribute “type of instrument” is

discussed. In particular, Part II provides details on the distinctive characteristics of the different types of instrument.

4.2 Acting as creditor or servicer

This section considers the activity of observed agents as creditors or servicers and provides a description of how to identify the instruments subject to reporting based on the various concepts referred to in Article 4 of the AnaCredit Regulation.

Pursuant to Article 1(9) of the AnaCredit Regulation, the activity of an observed agent as creditor or servicer is reported by the reporting agent.

While the creditor is the counterparty bearing the credit risk of an instrument, the servicer is the counterparty responsible for the administrative and financial management of an instrument (cf. Section 3.2.3). Although for many instruments the same counterparty typically acts as both the creditor and the servicer, there are instruments for which the two roles are assumed by different counterparties.

Every instrument for which a debtor and a creditor are expressly distinguished as different counterparties (also including different institutional units) is subject to credit risk, which means that the creditor may not receive (in full) a payment which it has the right to receive under the instrument. In other words, such an instrument gives rise to credit risk for the creditor.

For example, in the case of intracompany loans, granting a credit to an institutional unit makes the institutional unit a debtor under the AnaCredit Regulation, because the institutional unit is the counterparty to the credit instrument.

Finally, for every instrument there is a counterparty – the servicer – that is responsible for the administrative and financial management of the instrument.

Instruments are reported to AnaCredit where:

- (a) the observed agent acts as the creditor, because it bears the credit risk of the instrument – this includes the case when the servicer is another credit institution¹² (or part of the same credit institution);
- (b) the observed agent acts only as the servicer, but it recognises the instrument as an asset (in accordance with the applicable accounting standard) – this includes the case when the creditor of the instrument is an observed agent;
- (c) the observed agent acts only as the servicer and does not recognise the instrument as an asset (in accordance with the applicable accounting standard) and

¹² Since counterparties in AnaCredit are institutional units, any reference to “a credit institution” is to be understood as “a credit institution or a part of a credit institution”.

- (i) the instrument was granted to other institutional units of the credit institution of which the servicer forms part (cf. Article 4(1)(a)(iv)(i)); or
- (ii) the creditor is a third party (to the observed agent) other than a credit institution (or a part of a credit institution) resident in a reporting Member State (cf. Article 4(1)(a)(iv)(ii)),

1 When the creditor and the servicer of an instrument are different observed agents,
 2 double reporting to AnaCredit potentially arises if the servicer (although it is not the
 3 creditor) recognises the instrument as an asset in accordance with the applicable
 4 accounting standard¹³ (e.g. in the case of fiduciary instruments – cf. Section 4.5.3),
 5 because the instrument is reported by both the creditor and the servicer which
 6 recognises the instrument as an asset.

7 To establish whether an instrument is subject to AnaCredit reporting, it is necessary
 8 to consider which roles the observed agent assumes.

9 All counterparties which act as
 10 creditors, debtors, servicers and
 11 originators of an instrument should
 be identified and reported

As a general rule, the observed agent may assume the roles of both creditor and servicer, or just take one of the two roles (either creditor or servicer), in relation to the same instrument.

12 From the perspective of an observed agent, a distinction is made between:

- (a) instruments in which the observed agent acts as creditor;
- (b) instruments in which the observed agent does not act as creditor but does act as servicer;
- (c) instruments in which the observed agent acts neither as creditor nor as servicer.

13 Table 2 below presents an overview of the roles that an observed agent can take in
 14 relation to an instrument by comparing the relationship between the creditor's role
 15 and the servicer's role.

¹³ This is not possible when the servicer applies IFRS, because it cannot recognise the instrument as an asset if it is not the creditor.

Table 2: Cross-tabulation of observed agent's roles

The overview considers observed agents from the perspective of creditors and servicers. Moreover, depending on which roles the observed agent assumes, an indication is provided with regard to the implications for AnaCredit reporting concerning which instruments are required for reporting, potentially required for reporting and not required for reporting.

		Observed agent acts as servicer of the instrument	
		Observed agent acts as creditor	Observed agent does not act as creditor
Observed agent acts as creditor of the instrument	Observed agent acts as servicer	(Case I) Observed agent acts as both creditor and servicer	(Case III) Observed agent acts as servicer & Observed agent does not act as creditor
	Observed agent does not act as servicer	(Case II) Observed agent acts as creditor & observed agent does not act as servicer	(Case IV) Observed agent acts as neither creditor nor servicer

From the observed agent's perspective:

- instruments in relation to which the observed agent acts as creditor trigger the reporting obligation to AnaCredit (cases I and II, indicated in green);
- instruments in relation to which the observed agent acts as servicer but does not act as creditor are subject to AnaCredit reporting only if certain conditions apply (case III indicated in orange) – cf. Section 4.3;
- instruments in relation to which the observed agent acts neither as creditor nor as servicer are not required to be reported to AnaCredit (case IV, indicated in red).

1 The cross-tabulation helps understand how the two different roles are related to each
2 other. A total of four possibilities exist and are described below.

3 **Case I. Observed agent is the creditor and the servicer**

4 Instruments in this class are
5 considered for AnaCredit reporting

This case comprises all instruments in which the observed agent acts as both creditor and servicer.

6 In the context of AnaCredit, this case is considered to represent the most common
7 situation, because for the majority of instruments the creditor is typically also
8 responsible for their administrative and financial management.

1		Examples of such instruments include loans granted by a credit institution, which is
2		also responsible for their administrative and financial management.
3	In a synthetic securitisation the observed agent acts as creditor and servicer	Other examples include synthetic securitisations where the credit risk of (a portfolio
4		of) the instruments is transferred by means of a credit protection agreement, without
5		transferring the ownership of the securitised instruments, i.e. leaving the underlying
6		instrument in the ownership of the observed agent and on its balance sheet. More
7		specifically, although the credit risk of the observed agent is mitigated by a credit
8		derivative or a financial guarantee, the observed agent retains the right to receive the
9		payment from the debtor of the instrument and therefore meets the definition of a
10		creditor. Consequently, the observed agent acts as creditor and servicer of
11		instruments subject to synthetic securitisations. For more details regarding the
12		effects of synthetic securitisations on AnaCredit reporting, please refer to Chapter 6
13		in Part III of the Manual, which deals specifically with securitisations.
14		Instruments in this class are considered for reporting to AnaCredit.
15		Case II. Observed agent acts as creditor but does not act as servicer
16		This case comprises all instruments in which the observed agent acts as creditor but
17		where the responsibility for the administrative and financial management of the
18		instrument remains with a counterparty other than the observed agent.
19		Examples of such instruments include deposits placed by a credit institution with a
20		foreign branch of the credit institution, which are then placed on the market by the
21		foreign branch. Please note that the deposits involve the credit institution assuming
22		the credit risk (as creditor), while the foreign branch is the servicer.
23	A trustee is the holder of a financial asset on behalf of a trustor (beneficiary)	Other examples include fiduciary loans when seen from the perspective of the
24		trustor, i.e. the entity that bears the credit risk. The trustor places these loans with a
25		third-party credit institution (trustee) in a fiduciary capacity, and they are then placed
26		on the market. In this situation the trustor acts as creditor and the third-party credit
27		institution acts as servicer.
28		Instruments in this class are considered for AnaCredit reporting.
29		Case III. Observed agent acts as servicer but does not act as creditor
30		The third case covers instruments where the observed agent does not act as creditor
31		but does act as servicer of such instruments.
32	In a traditional securitisation the observed agent acts as servicer but not creditor	Examples of such instruments include traditional securitisations that are a “true sale”,
33		where the observed agent transfers an instrument to a FVC but retains servicing
34		rights. In such securitisation transactions the observed agent is responsible for the
35		administrative and financial management of the instrument but does not act as
36		creditor of the instrument. The creditor of such instruments is the FVC.

Other examples include fiduciary instruments¹⁴ where a credit institution (trustee) places deposits on behalf of its clients (for instance with regard to their dealing room transactions) in a fiduciary capacity (i.e. the risk is borne by the client and not by the credit institution). In this case the credit institution does not act as creditor but only as servicer.

Instruments in this class are considered for reporting as they may be relevant. However, whether instruments are actually reported depends on whether or not they are assets of the observed agent (i.e. when the observed agent reports these instruments as assets in accordance with the applicable accounting standard) or whether or not the third party that acts as creditor of those instruments is a (part of a) resident credit institution – please refer to Section 4.3 for details.

Case IV. Observed agent acts as neither creditor nor servicer

Instruments in which the observed agent acts as neither creditor nor servicer are not considered for AnaCredit reporting.

Case IV above comprises no cases relevant for AnaCredit reporting and is not considered further.

4.3 Activities of an observed agent in the context of Article 4(1)(a)(i)-(iv)

Pursuant to Article 1(9) of the AnaCredit Regulation, AnaCredit requires that instruments in which an observed agent acts as creditor or servicer are reported. From the perspective of an observed agent, a distinction is made between the activity of the observed agent as creditor and the activity of the observed agent as servicer.

Insofar as instruments in relation to which the observed agent acts as creditor are reportable under Article 4(1)(a)(i)-(iv), instruments in relation to which the observed agent acts only as servicer are not automatically considered relevant for reporting.

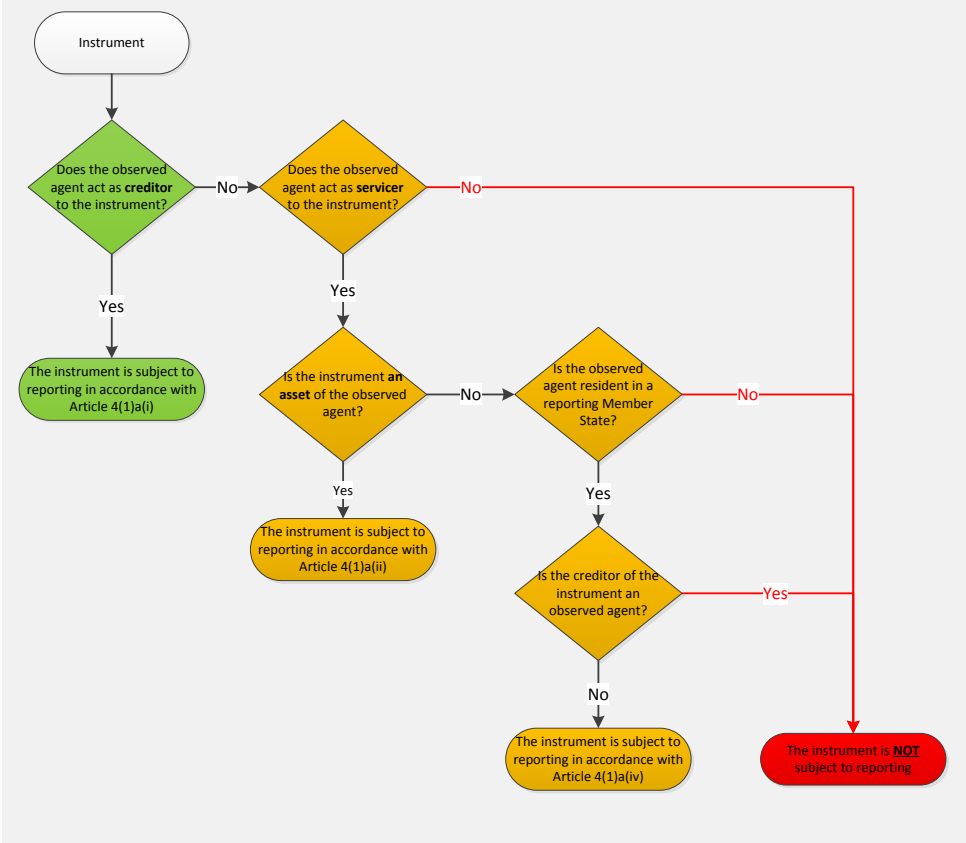
Chart 8 presents a decision tree to help determine which instruments are relevant in the context of AnaCredit considering solely Article 4(1)(a)(i)-(iv).

The respective parts of the decision tree are further discussed in the following sections.

¹⁴ Please note that this is exactly the opposite situation to that referred to under Case II in the same section.

Chart 8: Flow chart for instruments held or serviced

The following chart provides an indication of the reporting of instruments in which the observed agent acts either as creditor (in green) or as servicer and not as creditor (in orange).



4.3.1 The activity of the observed agent as creditor

1 The activity of the observed agent as creditor vis-à-vis an instrument implies that the
2 instrument gives rise to credit risk for the observed agent. In this case, the
3 instrument is subject to AnaCredit reporting (irrespective of whether or not the
4 observed agent is the servicer of such instrument) because it fulfils the condition
5 described in Article 4(1)(a)(i) of the AnaCredit Regulation:

- (i) gives rise to credit risk for the observed agent.

6 The activity of the observed agent as creditor is covered in cases I and II, as referred
7 to in Section 4.2.

8 Please note that although instruments for which the observed agent acts as creditor
9 generally constitute assets of the observed agent, for the condition in Article
10 4(1)(a)(i) to be fulfilled it is irrelevant whether or not an instrument is an asset of the
11 observed agent under Article 4(1)(a)(ii) and (iii), as long as the observed agent acts
12 as creditor of such instruments.

1 Similarly, whether or not the observed agent is resident in a reporting Member State
2 is of no relevance.

3 The specific kinds of instrument relevant for this section are discussed in more detail
4 in Section 4.4, which deals specifically with instruments relevant for the activity as
5 creditor.

6 For example, intracompany loans for which the observed agent acts as creditor fulfil
7 the condition in Article 4(1)(a)(i). This is further described in Section 4.6.5.

4.3.2 The activity of the observed agent as servicer

8 If the reporting obligation in respect of an instrument is not triggered by an observed
9 agent acting as creditor of the instrument, it may still be triggered by an observed
10 agent acting as servicer.

11 According to Article 1(14) of the AnaCredit Regulation, a servicer is the counterparty
12 responsible for the administrative and financial management of an instrument, and
13 case III, as referred to in Section 4.2, may arise under any of the following conditions
14 of Article 4(1)(a)(ii), (iii), (iv) (i.) and (iv) (ii.) where the instrument:

- (ii) is an asset of the observed agent, or
- (iii) is recognised under the relevant accounting standard used by the
observed agent's legal entity and gave rise to credit risk for the observed
agent in the past, or
- (iv) is serviced by the observed agent resident in a reporting Member State;
and
 - i. was granted to other institutional units of the same legal entity that the
observed agent is part of, or
 - ii. is held by a legal entity which is not a credit institution resident in a
reporting Member State different to the observed agent.

15 Please note that Article 4(1)(a)(iii) is considered to be superseded by Article
16 4(1)(a)(ii) – cf. Section 4.4.1 – and is not analysed separately.

17 Instruments which are subject to a traditional securitisation in which an FVC
18 acquiring the instruments acts as creditor and the observed agent that retains
19 servicing rights acts as servicer fulfil the condition in Article 4(1)(a)(iv)(ii).

20 Intracompany loans in which the observed agent acts as servicer but does not act as
21 creditor fulfil the condition in Article 4(1)(a)(iv).

22 Instruments in which a non-resident
23 observed agent acts as servicer
24 (but not as creditor) fall outside the
25 scope of AnaCredit unless they are
assets of the observed agent

Please note that instruments that are assets of the observed agent for which the
observed agent acts as servicer (but not as creditor) are considered for AnaCredit
reporting, irrespective of whether or not the observed agent is resident in a reporting
Member State.

1 *Revision mark: clarification is*
 2 *added that this depends on the*
 3 *applicable accounting standard*

As regards fiduciary loans, under certain accounting standards, the trustee can choose whether or not to treat such loans as assets. Therefore, fiduciary loans may or may not be assets of the trustee. If the trustee is an observed agent, the observed agent acts as servicer but does not act as creditor of such instruments. Consequently, fiduciary loans are reported to AnaCredit according to Article 4(1)(a)(ii) or (iii) if they are treated as an asset or according to Article 4(1)(a)(iv) otherwise.

8 Please note that instruments considered in this section are those where the
 9 observed agent does not act as creditor. Instruments where the observed agent acts
 10 as creditor are considered in Section 4.3.1.

11 The specific kinds of instrument relevant for this section are discussed in more detail
 12 in Section 4.5, which deals specifically with instruments relevant for the activity as
 13 servicer but not as creditor.

4.4 Instruments relevant for the activity as creditor

14 This section considers in more detail instruments for which the observed agent acts
 15 as creditor.

16 *These are instruments included in*
 17 *cases I and II*

Cases I and II referred to in Section 4.2 cover all instruments held by the observed agent. It is irrelevant whether or not such instruments are actually serviced by the observed agent.

19 Depending on the applicable accounting standard, an instrument for which the
 20 observed agent acts as creditor may be an asset of the observed agent or an off-
 21 balance sheet item. This is described in more detail in the subsequent sections.

4.4.1 Instruments that are assets of the observed agent

22 *Revision mark: this paragraph is*
 23 *expanded with clarifications*
 24 *regarding the accounting standard*
 25 *applicable to resident foreign*
 26 *branches of non-resident credit*
 27 *institutions in line with*
 28 *Q&A 2018/0041*

Pursuant to the AnaCredit Regulation, and in particular the definition of the accounting standard and Section 6.2 in Annex I to the AnaCredit Regulation, the accounting standard relevant for AnaCredit reporting is the accounting standard used by the observed agent's legal entity (unless the observed agent is a foreign branch resident in a reporting Member State of a credit institution non-resident in a reporting Member State, in which case the applicable accounting standard is the accounting standard applied by the observed agent in the country where it is resident, rather than the accounting standard applied by the legal entity to which the foreign branch belongs). In this connection, Article 4(1)(a)(ii) is deemed to refer, in accordance with Article 1(9), to economic assets recorded on the balance sheet of the observed agent's legal entity.

33 *Revision mark: the scope of Article*
 34 *4(1)(a)(iii) is added*

Furthermore, the first part of Article 4(1)(a)(iii) – “is recognised under the relevant accounting standard used by the observed agent's legal entity” – is regarded to have the same meaning as “is an asset of the observed agent” as referred to in Article 4(1)(a)(ii). Consequently, Article 4(1)(a)(iii) – regarding instruments

recognised under the relevant accounting standard used by the observed agent's legal entity – is considered to be superseded by Article 4(1)(a)(ii) (which covers both types of assets – i.e. both giving and not giving rise to credit risk) and is not further considered separately.

In general, a counterparty may be the legal and/or economic owner of an asset. The economic owner bears the risks and is entitled to claim the benefits associated with the asset. The economic owner thus treats the instrument as an asset. Therefore, the economic owner reports to AnaCredit according to Article 4(1)(a)(i) and (ii).

Revision mark: clarification is added that the optionality is only relevant for some accounting standards

However, if the legal owner is not the economic owner of the instrument, it does not assume the benefits and risks associated with the instrument, and, for that reason, it does not recognise the instrument as an asset. Nevertheless, in the case of fiduciary loans, in accordance with some accounting standards other than IFRS), the legal owner may treat the instrument as an asset on its balance sheet. If this is the case, the legal owner has a reporting obligation to AnaCredit according to Article 4(1)(a)(ii) even though the instrument does not give rise to credit risk for the legal owner.

4.4.2 Instruments not recognised under the relevant accounting standard

Revision mark: an explanation is added that the accounting standard applied by the observed agent's legal entity is the only relevant accounting standard under AnaCredit even though observed agents may prepare a balance sheet separate from the observed agent's legal entity

Instruments in which the observed agent acts as creditor but which are not recognised under the relevant accounting standard may be assets of the observed agent in accordance with the definition of an asset included in Article 1(20) of the AnaCredit Regulation, although they are not assets of the observed agent's legal entity. Nonetheless, the accounting standard applied by the observed agent's legal entity is the only relevant accounting standard under AnaCredit.

Revision mark: a qualification of the assets is added

The general principle is that the category of instruments in which the observed agent acts as creditor is broader than the category of instruments that are assets of the observed agent under the relevant accounting standard. Such instruments include:

- (a) intracompany loans, where the observed agent grants a loan to another institutional unit of the legal entity of which the observed agent is part (these loans are not assets recognised under the accounting standard of the observed agent's legal entity);
- (b) instruments that are written off, where the observed agent still has a claim on a third party (debtor) but the instruments are no longer recognised under the applicable accounting standard.

Such instruments are subject to AnaCredit reporting in line with the general criteria triggering the reporting obligation as discussed in Chapter 5, which include the debtor's commitment amount.

As regards written-off instruments in particular, such instruments are reported as long as the debtor's commitment amount reaches or exceeds the reporting threshold of €25,000, or until the end of the quarter in which instruments were written off if the

1 debtor's commitment amount is less than €25,000. This is further explained in
2 Section 5.2.2.2.

4.5 Instruments relevant for the activity as servicer but not as creditor

3 This section considers instruments where the observed agent acts only as servicer
4 and the instrument is not subject to reporting by the creditor of the instrument.
5 Instruments in which the observed agent is also the creditor are considered in
6 Section 4.4.

7 Please note that if an NCB grants a
8 derogation in accordance with
9 Article 16(1) of the AnaCredit
10 Regulation to a credit institution
11 which holds an instrument, the
12 instrument is still not subject to
13 reporting by the servicer.
14 In the case of an instrument held by a third party (i.e. in which a third party acts as
15 creditor), the activity of an observed agent located in a reporting Member State as
16 servicer to the instrument is subject to AnaCredit reporting if the activity of the third
17 party as creditor of the instrument is not already subject to AnaCredit reporting. In
18 this connection, the AnaCredit Regulation stipulates that the instrument serviced by
19 the observed agent (which does not act as creditor) is subject to reporting if the
20 instrument is not held by a (part of a) credit institution resident in a reporting Member
21 State.

22 For instance, instruments that are subject to a traditional securitisation where the
23 observed agent transfers the instrument to an FVC while retaining servicing rights
24 are in principle considered to fulfil the conditions of Article 4(1)(a)(iv)(ii). Upon the
25 transfer of the instrument, the observed agent acts as servicer (and originator) of the
26 instrument, whereas the FVC, upon acquiring the right to receive the principal and
27 interest payments for the instrument, acts as creditor of the instrument. As the FVC
28 is not a credit institution, the instrument, which is serviced by the observed agent, is
29 only subject to reporting (in relation to the activity of the observed agent as servicer
30 but not creditor) if the observed agent is resident in a reporting Member State. The
31 country of residence of the FVC is irrelevant with regard to the reporting obligation of
32 the observed agent.

33 However, an instrument serviced by an observed agent not resident in a reporting
34 Member State is not considered to be subject to AnaCredit reporting, provided that
35 the observed agent does not act as creditor of such an instrument.

36 Chart 8 in Section 4.3 presents a decision tree which summarises the reporting
obligations from the observed agent's perspective, where the boxes in orange focus
on instruments that are serviced but not held by the observed agent.

Please note that – broadly speaking – securitised or otherwise transferred
instruments in relation to which the observed agent acts as servicer constitute the
main category of instruments relevant for the activity as servicer but not as creditor.
The category also includes fiduciary instruments, where the trustee is the observed
agent. Such instruments are discussed in more detail in the following sections.

4.5.1 Not reporting serviced instruments to avoid double reporting

Instruments that are serviced (but not held) by one observed agent and held by another observed agent are in principle subject to double reporting. However, the AnaCredit Regulation aims to avoid double reporting in such cases by requiring in Article 4(1)(a)(iv)(ii) that serviced instruments are reported only on condition that they are not held by another observed agent.

More specifically, given the fact that instruments held by observed agents are in principle subject to mandatory AnaCredit reporting, double reporting – which essentially could arise in the case of instruments that are held by one observed agent but serviced by another observed agent – is avoided by exempting the activity of the servicer from reporting.

In this connection, the provisions of Article 4(1)(a)(iv)(ii) should be interpreted to mean, in respect of instruments in which a third party acts as creditor, that the activity of an observed agent located in a reporting Member State as servicer to the instrument is subject to reporting to AnaCredit only if the third party acting as creditor to the instrument is not a (part of a) credit institution resident in a reporting Member State.

Example 5 presents a situation in which the data of both the servicer and the creditor are potentially subject to reporting.

Revision mark: the clarification pertaining to Scenario 2 is expanded

Example 5: Same instrument held by one observed agent and serviced by another

This example considers a fiduciary instrument (cf. Section 4.5.3) from the perspectives of the trustor and the trustee:

- trustor C holds an instrument which gives rise to credit risk;
- the instrument is serviced by trustee A, who acts as trustee for trustor C;
- counterparty B is the debtor of the instrument; counterparty B is a legal entity.

The fiduciary instrument is first considered from the trustor C perspective:

If trustor C is an observed agent then reporting of the instrument is triggered by Article 4(1)(a)(i) – the instrument gives rise to credit risk for the observed agent.

Conclusion: the reporting agent relevant for the observed agent (trustor C) reports the instrument.

The instrument is now considered from the trustee A perspective:

Scenario 1 – the instrument is not an asset of trustee A in accordance with the relevant accounting standard.

If trustee A is an observed agent resident in a reporting Member State, reporting of the instrument is triggered if trustor C is not a credit institution (or a foreign branch of a credit institution) resident in a reporting Member State. In such cases reporting is exclusively triggered by Article 4(1)(a)(iv)(ii).

If trustor C is a credit institution (or a foreign branch of a credit institution) resident in a reporting Member State, the instrument is not required to be reported by the reporting agent related to the observed agent (trustee A).

Scenario 2 – the instrument is an asset of trustee A recognised under the applicable accounting standard.

If trustee A is an observed agent, reporting of the instrument is triggered by Article 4(1)(a)(ii), irrespective of whether or not trustee A is resident in a reporting Member State. It is also irrelevant whether or not trustor C is a credit institution (or a foreign branch of a credit institution) resident in a reporting Member State. When the trustor is also an observed agent, double reporting to AnaCredit occurs because the same instrument is reported by both the trustor (in accordance with Article 4(1)(a)(i)) and the trustee (in accordance Article 4(1)(a)(ii)).

4.5.2 Securitised or otherwise transferred instruments except synthetic securitisations

1 Collection of serviced instruments is
2 primarily aimed at capturing credit
3 risk of FVCs in traditional
4 securitisation, as FVCs are not
5 observed agents pursuant to
6 AnaCredit

7 *Revision mark: the rationale is
8 rewritten in more general terms*

8 Beside the roles of creditor, debtor
9 and servicer, it is necessary to
10 identify the originator with regard to
11 securitisation transactions

The primary aim behind including in AnaCredit instruments that are serviced by the observed agent but held by a third party is to collect instruments whose (economic) ownership has been transferred by the originator and which are not reported by the new creditor. Such a situation typically concerns traditional securitisations and loan transfers other than synthetic securitisations, where, by selling or otherwise transferring the instruments rather than holding them, the observed agent ceases to be the creditor of the instruments but retains the servicing rights.

In the case of traditional securitisations, the economic ownership of the instrument is transferred, generally leading to the derecognition of the instrument by the originator (the transferor) and the recognition of the instrument by the new owner on its balance sheet. The transferor is no longer to be identified as the creditor but as the originator. The transferee, which is the new owner of the instrument from an economic perspective, is to be recognised as the creditor. If the transferor retains servicing rights in respect of the transferred instruments, the transferor is also recognised as the servicer. From the perspective of an observed agent who acts as servicer, such instruments therefore are in principle considered for AnaCredit reporting.

In the case of transfers of instruments according to Part 5 of the BSI Regulation, other than securitisation transactions, where the economic ownership of the instrument has been partly or fully transferred to a third party, the counterparty responsible for its administrative and financial management may differ from the creditor. The counterparty which originally held the instrument generally (but not necessarily) remains the servicer.

For more information regarding instruments subject to securitisation please refer to Chapter 6 in Part III of the Manual.

4.5.3 Fiduciary instruments

26 From the perspective of an observed agent, fiduciary instruments are those for which
27 the observed agent acts in its own name but on behalf of and with the risk borne by a
28 third party. The third party who is the economic owner of the instruments is therefore
29 the creditor. The observed agent, who is solely responsible for the administrative and
30 financial management of the instruments, is the servicer of such instruments.

1 Fiduciary instruments in which the observed agent acts only as servicer are
 2 generally subject to AnaCredit reporting. However, the exact reporting obligation
 3 depends on their accounting treatment.

4 As discussed in Sections 4.3.2 and 4.5.1, fiduciary instruments may or may not be
 5 assets of the trustee. If the trustee is an observed agent, the observed agent acts as
 6 servicer but does not act as creditor of such instruments. Fiduciary instruments are
 7 therefore reported to AnaCredit according to Article 4(1)(a)(ii) or (iii) of the AnaCredit
 8 Regulation if they are treated as assets, regardless of whether or not the creditor is
 9 an observed agent.

10 In particular, non-asset fiduciary instruments are only reported to AnaCredit if the
 11 servicer (trustee) to such instruments is an observed agent resident in a reporting
 12 Member State whereas the creditor (trustor) is not a credit institution (or a foreign
 13 branch of a credit institution) resident in a reporting Member State.

14 Please note that only certain data attributes of the accounting dataset are applicable
 15 for non-asset fiduciary instruments and proper values can be reported.

4.6 Other instrument-related aspects for consideration

16 This section focuses on certain features of instruments that affect their reporting to
 17 AnaCredit.

4.6.1 Instruments recorded on the liabilities side of the balance sheet

18 In accordance with Section 4.4, instruments that give rise to credit risk to the
 19 observed agent are either assets of the observed agent or are not recorded on the
 20 balance sheet. Such instruments are never liabilities of the observed agent,
 21 however.

22 Conversely, any instruments that are of any of the specified types but are a liability of
 23 the observed agent are not considered for reporting.

24 *Revision mark: the example is*
 25 *expanded in line with*
Q&A 2018/0014 on nostro/vostro
accounts
 Example 6 provides clarification on which deposits are considered and which ones
 disregarded for AnaCredit reporting.

Example 6: Which deposits are considered and which deposits are not within the scope of AnaCredit

In accordance with Regulation 549/2013, interbank positions between credit institutions are generally referred to as deposits. For example, this is mentioned in points 5.81, 5.114, but most notably in point 5.119 thereof.

To this end, although deposits are in principle the type of instrument considered in AnaCredit, in no case does it imply that any deposits that are recorded on the liabilities side of the balance sheet fall within the scope of AnaCredit.

As a matter of fact, placements of funds between credit institutions are always recorded as deposits, irrespective of whether they are on the assets or liabilities side. To be considered for AnaCredit, however, a deposit should give rise to credit risk for the observed agent. Specifically, the only deposits that fall within the scope of AnaCredit are assets in accordance with Article 4(1)(a)(ii) or give rise to credit risk for the observed agent in accordance with Article 4(1)(a)(i). Consequently, no deposits on the liabilities side (i.e. received deposits) fall within the scope of the collection.

If, however, the deposit's balance on the reporting reference data is such that the observed agent has a claim on the other credit institution – i.e. it is the observed agent's funds that are on deposit – the deposit balance is subject to AnaCredit reporting. This is particularly relevant for nostro/vostro accounts.

A nostro/vostro account is a bank account where one bank has another bank's funds on deposit, typically on behalf of a foreign bank in relation to international trade or other financial transactions. This also involves deposit overdrafts, whereby depositors are authorised to obtain funding in the form of an overdraft. The terms "nostro" and "vostro" are used to indicate which bank has money on deposit.

A nostro/vostro account is only subject to AnaCredit reporting if, on the reporting reference date, the account's balance is such that the observed agent has a claim on the other credit institution – i.e. it is the observed agent's money that is on deposit in the account ("nostro"). Conversely, "vostro" balances are not subject to AnaCredit reporting.

As the balance of a nostro/vostro account can change from one reporting reference date to another – changing, for example, from "nostro" to "vostro" and back again – the account may not be subject to AnaCredit reporting on all reporting reference dates.

4.6.2 Instruments that are not eligible

1 *Revision mark: this paragraph is*
2 *expanded with examples of*
3 *instruments outside the scope of*
4 *the collection*

Instruments which are held or serviced by the observed agent but which are not one of the types of instrument referred to in Article 1(23) of the AnaCredit Regulation do not fall within the scope of the collection (for example, debt securities, financial guarantees and commitments given).

5 With this in mind, Example 7 describes an instrument which gives rise to credit risk
6 for the observed agent but is not considered to be subject to AnaCredit reporting.

Example 7: Financial guarantees given by a credit institution (observed agent)

A credit institution (bank X) whose activity as creditor or servicer is reported by its reporting agent provides, upon request by company C, a financial guarantee to company C that if company B, a client of bank X, fails to meet its payment obligation towards company C, bank X will pay a guaranteed amount to company C.

In this case the guarantee given by bank X is an instrument giving rise to credit risk for bank X. However, guarantees given are not one of the types of instrument referred to in Article 1(23) and such instruments therefore fall outside the scope of the collection.

Nevertheless, if company B fails to meet its payment obligation and bank X pays out the amount guaranteed to company C, then the guarantee becomes a loan for which bank X acts as creditor (as bank X has the right to receive payment from company B) and is reported by bank X (in its capacity as an observed agent) (cf. “other loans” in Section 3.4.1 in Part II of the Manual).

4.6.3 Off-balance-sheet items in the scope of AnaCredit

Revision mark: Section 4.6.3 is expanded in line with Q&A 2018/0010 on off-balance-sheet items within the scope of AnaCredit

Instruments that are held or serviced by the observed agent are subject to AnaCredit reporting provided that the debtor’s commitment amount reaches or exceeds the reporting threshold (subject to the fulfilment of other conditions, such as that at least one debtor of the instrument is not a natural person and that the type of instrument is within the scope of Article 1(23) of the AnaCredit Regulation) for which the off-balance-sheet amount is relevant.

Overall, as regards off-balance-sheet items, AnaCredit differentiates between “undrawn amounts”, which are off-balance-sheet components of instruments eligible for reporting to AnaCredit (cf. Section 4.6.3.1), and strict off-balance-sheet items.

Strict off-balance-sheet items, such as loan commitments, financial guarantees and other commitments as defined in paragraphs 113, 114 and 115 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2017/1443 of 29 June 2017 (hereinafter referred to as “the amended ITS”), which do not have outstanding balances are not considered to be any of the types of instrument referred to in Article 1(23) of the AnaCredit Regulation.

In particular, in accordance with paragraph 113 of Part 2 of Annex V to the amended ITS, “loan commitments” are firm commitments to provide credit under pre-specified terms and conditions, except those that are derivatives because they can be settled net in cash or by delivering or issuing another financial instrument. They include:

- “forward deposits”;
- “undrawn credit facilities” which comprise agreements to “lend” or provide “acceptance facilities” under pre-specified terms and conditions.

As regards other products referred to, such as letters of credit or guarantees, these are reported only as protection received items for the creditor. They are not reported

1 as instruments, as they do not fall within the types of instrument referred to in Article
2 1(23) of the AnaCredit Regulation.

4.6.3.1 Instruments comprising off-balance-sheet amounts

3 This section provides relevant clarification with regard to instruments which consist
4 of off-balance-sheet (undrawn) amounts.

5 *Revision mark: this paragraph is consolidated with the clarifications moved down from Section 4.1.2.1*
6
7 Whether there is any off-balance-sheet amount for an instrument depends on (a) the
8 general drawing possibilities vis-à-vis the instrument (for example, some instruments
9 by definition do not have any off-balance-sheet amount) and (b) whether the
instrument is associated with a credit limit. In respect of (a), the following distinction
is made:

- (i) a revolving credit is an instrument under a credit contract whereby the debtor's outstanding balances are permitted to fluctuate (i.e. increase and decrease) such that, taking into account payments made by or to the credit of the debtor, the credit limit is not exceeded;
- (ii) a non-revolving credit is an instrument under a credit contract whereby the debtor is enabled to receive funds (whether in one amount or in instalments) which are not replenished after payments are made by the debtor (or to the instrument of the debtor).

10 As regards (b), there are three generic types of credit limits and all types of credit
11 limits can essentially be set using these generic types of credit limits:

- (iii) credit cross-limits, which are given to limit the amount of credit for two or more related instruments; instruments under a credit cross-limit may have credit sub-limits;
- (iv) credit sub-limits, which are individual credit limits set for instruments under a credit cross-limit that limit the amount of credit that a debtor can have under a given instrument;
- (v) independent credit limits, which are individual credit limits that do not have a superior credit limit (i.e. a credit cross-limit) to restrict the use of credit thereunder.

12 *Revision mark: an explanation is added in line with Q&A 2018/0010*
13

14 The above implies that, while certain types of instrument reported to AnaCredit can
15 only have a positive outstanding nominal amount, there are also reportable types of
instrument for which the outstanding nominal amount may be zero (and for which
there is an intrinsic off-balance-sheet amount).

16 More guidance regarding reporting in the case of credit cross-limit structures (e.g.
17 multi-product credit facilities) is provided in Section 3.4 in Part III of the Manual,
18 which deals specifically with the subject of multiple instruments linked to a single
19 credit cross-limit.

*Revision mark: the former
Section 4.6.3.1 has been moved to
Chapter 3 in Part III of the Manual*

4.6.4 Loans between entities of the same group – intercompany loans

Intercompany loans are not
intracompany loans

Intercompany loans (as opposed to intracompany) in which one legal entity of a group grants a loan to another legal entity of the same group are instruments giving rise to credit risk. In particular, intercompany loans comprise loans between parent and subsidiary.

In the context of AnaCredit, intercompany loans for which the observed agent acts as creditor or servicer are essentially no different from any other instruments for which the observed agent is the creditor or servicer and the same reporting requirements apply. More specifically, if a legal entity holding such an instrument is an observed agent in AnaCredit, the instrument is subject to reporting following the instructions in Section 4.4.1.

4.6.5 Intracompany loans

4.6.5.1 Intracompany loans held by the observed agent

*Revision mark: a definition of
intracompany loans is added in line
with the glossary*

Intracompany loans are loans extended by one institutional unit of a legal entity to another institutional unit of the same legal entity – e.g. between the domestic part and a foreign branch of the legal entity or between two foreign branches of the same legal entity.

In the context of AnaCredit, intracompany loans are subject to reporting primarily because the observed agent that extends such loans acts as creditor of these instruments. Furthermore, loans between institutional units are also reported in the context of BSI statistics.

Intracompany loans may be registered on the balance sheet of the institutional unit, but these intracompany loans are not recognised on the balance sheet of the legal entity. Consequently, no accounting information is required in the accounting dataset for such loans. In fact, intracompany loans for which the observed agent acts as creditor meet the condition in Article 4(1)(a)(i). In this respect it is irrelevant whether or not such instruments are serviced by the observed agent.

In the AnaCredit Regulation, credit risk is defined at the level of institutional units. In accordance with Article 1(21), credit risk is the risk that a counterparty fails to make any payments that it is contractually obliged to make, while pursuant to Article 1(10) a counterparty is an institutional unit.

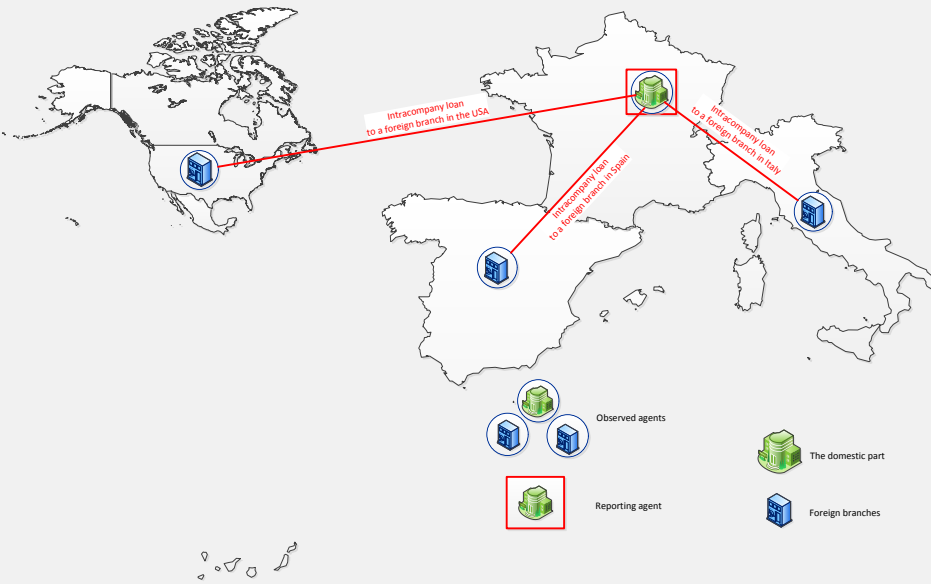
Chart 9 presents an example of a credit institution which provides intracompany loans to its foreign branches in Italy, Spain and the USA.

Chart 9: Stylised intracompany loans to foreign branches

Intracompany loans are loans extended by one unit of a legal entity to another unit of the same legal entity. Companies make intracompany loans to, for example, shift cash within business units that use a common currency, rather than sending in funds from a foreign location that will be subject to exchange rate fluctuations.

In the context of AnaCredit, intracompany loans within credit institutions are captured at the level of the institutional unit.

In this example, a credit institution established in France extends intracompany loans to its foreign branches in Italy, Spain and the USA.



In all these intracompany loans, the creditor is the observed agent located in France, which is the domestic part of the credit institution. The debtors are the respective foreign branches that receive the loans. All the intracompany loans are subject to AnaCredit reporting (provided that they fulfil the conditions set out in Articles 1, 4 and 5 of the AnaCredit Regulation).

The loans are reported to AnaCredit via the reporting agent on behalf of the observed agent that is the creditor of these loans, i.e. the institutional unit of the credit institution that is located in France.

1 *Revision mark: clarifications about*
2 *nostro/vostro accounts are added in*
3 *line with Q&A 2018/0015*
4
5
6
7
8

If nostro/vostro accounts (as referred to in Example 6 in Section 4.6.1) are exchanged between different institutional units of the same credit institution, they are reported to AnaCredit because the different institutional units involved are distinct counterparties. Moreover, the deposit balance of the account determines which counterparty is reported as the creditor (the one with the debit balance – the “nostro” account) and which is reported as the debtor (the one with the credit balance – the “vostro” account). The following example illustrates how such accounts are reported to AnaCredit.

Example 8: Reporting of intracompany vostro/nostro accounts

A credit institution runs a nostro/vostro account, which it uses to settle (intracompany) transactions with its foreign branch.

Initially, on 31 March 2019, the balance of the nostro/vostro account is such that the domestic part of the credit institution has a claim on the foreign branch (i.e. the account is a nostro account from the perspective of the domestic part of the credit institution). In this case, an instrument (i.e. "deposits other than reverse repurchase agreements") is reported to AnaCredit, whereby the domestic part is reported as both the creditor and the servicer and the foreign branch is reported as the debtor.

Later, on 30 April 2019, the balance of the nostro/vostro account is such that the foreign branch has a claim on the domestic part of the credit institution (i.e. the account is a nostro account from the perspective of the foreign branch). In this case, the foreign branch is the observed agent and is reported as the creditor and the domestic part is reported as both the debtor and the servicer).

Intracompany loans made within institutional units are not subject to reporting

Intracompany loans provided between branch offices of a credit institution located in the same country (as opposed to foreign branches in different countries) are not subject to AnaCredit reporting because these are loans made within a single institutional unit. This is because units of a single entity located in a single country form a single institutional unit, and any transactions within institutional units are not recognised in AnaCredit.

4.6.5.2 Serviced intracompany loans

Although for the vast majority of intracompany loans the institutional unit which extends such loans is an observed agent whose activity as creditor is subject to reporting pursuant to Article 4(1)(a)(i), the AnaCredit Regulation also requires intracompany loans in which the observed agent acts only as servicer to be reported, provided that the observed agent is resident in a reporting Member State.

In particular, intracompany loans where the observed agent, resident in a reporting Member State, is a servicer (but not a creditor) fulfil the condition in Article 4(1)(a)(iv)(i).

Intracompany loans serviced by non-resident observed agents are subject to AnaCredit reporting provided that the observed agent is the creditor

Intracompany loans are therefore subject to AnaCredit reporting not only in relation to instruments serviced by resident observed agents but also in cases where they are held by non-resident observed agents, provided that the non-resident observed agent is the creditor of such instruments. Examples of such loans include deposits placed with the domestic part by the foreign branch or loans between foreign branches of the same legal entity.

4.6.6 The commencement of the reporting of an instrument

The following guidelines are considered when establishing the moment at which an instrument becomes relevant for AnaCredit reporting.

Generally, an instrument first becomes subject to reporting at the moment at which the creditor enables the debtor to draw funds after entering into a legally binding agreement with the debtor, or when funds are disbursed to the debtor for the first time in the case of overdrafts that are not associated with an agreed credit limit.

Moreover, whether the creditor makes a commitment to the debtor in irrevocable or revocable¹⁵ terms is irrelevant for the moment of commencement of the reporting of an instrument.

Revision mark: this section is expanded in line with Q&A 2018/0010

In the case of structured instruments under multi-debtor/product umbrellas, such instruments, irrespective of their structural complexity, become subject to reporting at the moment at which the creditor, at or after the moment of contractual inception and after communicating and legally defining the commitment, creates an eligible instrument giving the debtor the possibility of taking advantage of funds. This could, for example, be a credit limit (regardless of whether it has been communicated to the debtor) which has not resulted in the creation of an eligible instrument (e.g. a credit card account or an overdraft). Clearly, such a commitment/offer will not result in any reporting to AnaCredit until a standby instrument has been created which may be utilised by the debtor solely at the debtor's discretion. The same is true of conditional lending agreements prior to the creation of an eligible instrument that is subject to AnaCredit reporting (cf. Part III of the Manual, which deals specifically with instruments arising under off-balance-sheet items).

For more information regarding the inception of reportable instruments, please refer to Section 3.1.5 in Part II of the Manual.

4.6.7 Instruments related to deregistered counterparties

Revision mark: Section 4.6.7 is added in line with Q&A 2017/0006

In accordance with Article 4 of the AnaCredit Regulation, the AnaCredit reporting of instruments does not depend on whether or not the related counterparties are registered in a business register.

In particular, existing instruments of debtors which have ceased trading and have been deregistered from the business register are still reported to AnaCredit after the deregistration date of the debtor (provided that the instruments are subject to

¹⁵ Instruments giving rise to credit risk can generally be either irrevocable or revocable, based on the following definitions:

- "irrevocable" refers to any instrument where the credit institution confirms to the debtor in irrevocable and legally binding terms that it is prepared to make available a certain amount (credit limit) during a predefined period of time, subject to certain terms and conditions stipulated in the credit contract;
- "revocable" refers to any instrument (documented in a credit agreement) which can be cancelled or drawing requests refused at any time at the sole discretion of the credit institution, and which the credit institution has no legal obligation to renew beyond its original tenor. Please note that the "irrevocable" effect is reflected to the extent that, once the debtor complies with the terms and conditions (including loan default clauses and conditions precedent), the credit institution has no legal right to unilaterally refuse any drawing and/or demand any prepayment and/or cancel the facility until the (legally binding) contract underpinning the instrument has expired.

1 AnaCredit reporting at a reporting reference date in accordance with the AnaCredit
2 Regulation).

3 The existence of such instruments is often a result of the legal process of liquidating
4 a company, which is complicated and may last for many years, and there may be
5 conflicting views about whether or not a counterparty has ceased to exist. In such
6 cases, there is a possibility to centrally consolidate the different views of different
7 reporting agents (via the Register of Institutions and Affiliates Data – RIAD)¹⁶,
8 whereas AnaCredit holds information about such debtors' current exposures (which
9 may be of particular relevance in the context of non-performing loans).

¹⁶ The ECB maintains the Register of Institutions and Affiliates Data (RIAD). RIAD is the shared dataset of reference data on legal and other statistical institutional units, the collection of which supports business processes across the Eurosystem and the performance of the tasks of the ESCB and the SSM. RIAD facilitates the integration of a variety of datasets, in particular by providing common identifiers.

5 Criteria triggering the reporting obligation

Revision mark: Section 5 is streamlined and modified in line with the explanations provided in Q&A 2017/0002 and Q&A 2017/0003 regarding written-off instruments

This section provides a technical explanation of the criteria triggering the reporting obligation of instruments to AnaCredit.

For any observed agent of a given reporting agent, the instrument is the centrepiece of the reporting obligation in the sense that once an instrument held or serviced by the observed agent is determined to be subject to reporting pursuant to the AnaCredit Regulation, the reporting agent is required to report a set of information on the following:

- (a) the instrument;
- (b) the protection securing the instrument;
- (c) counterparties to the instrument or otherwise affiliated with the instrument.

The provisions in Articles 4 and 5 of the AnaCredit Regulation are the basis for determining whether or not a given instrument held or serviced by an observed agent is required to be reported. Credit granted to natural persons is not reported to AnaCredit.

5.1 Terminology

Revision mark: the terminology throughout this section is aligned with the glossary

“Month-end” refers to the last calendar day of a month.

“Quarter-end” refers to the last calendar day of a quarter of the year.

“Eligible instrument” refers to an instrument that at a month-end date jointly meets all of the following conditions:

- (i) the instrument is one of the types of instrument under Article 1(23);
- (ii) the instrument satisfies any of the conditions of Article 4(1)(a)(i)-(iv);
- (iii) at least one debtor of the instrument is a legal entity or part of a legal entity as referred to in Article 1(5).

“Commitment amount for an instrument” is defined as the sum of the outstanding nominal amount and off-balance-sheet amount under Article 1(25), where both amounts relate to the instrument concerned.

“Qualifying instrument” refers to an eligible instrument at a month-end date where the debtor’s commitment amount for all the eligible instruments is equal to or exceeds €25,000 or the equivalent foreign currency amount (cf. Article 5).

1		“Debtor’s commitment amount” refers to the sum of the commitment amounts of the
2		debtor for all eligible instruments vis-à-vis the observed agent. Only eligible
3		instruments are considered.
4	<i>Revision mark: the definitions of</i>	“Reporting reference date” is the month-end date of the month to which the data
5	<i>“reporting reference date” and</i>	refers.
6	<i>“extended quarter-end reporting”</i>	
7	<i>are included</i>	“Extended quarter-end reporting” is reporting until the quarter-end of eligible
		instruments that have been written off during the quarter.

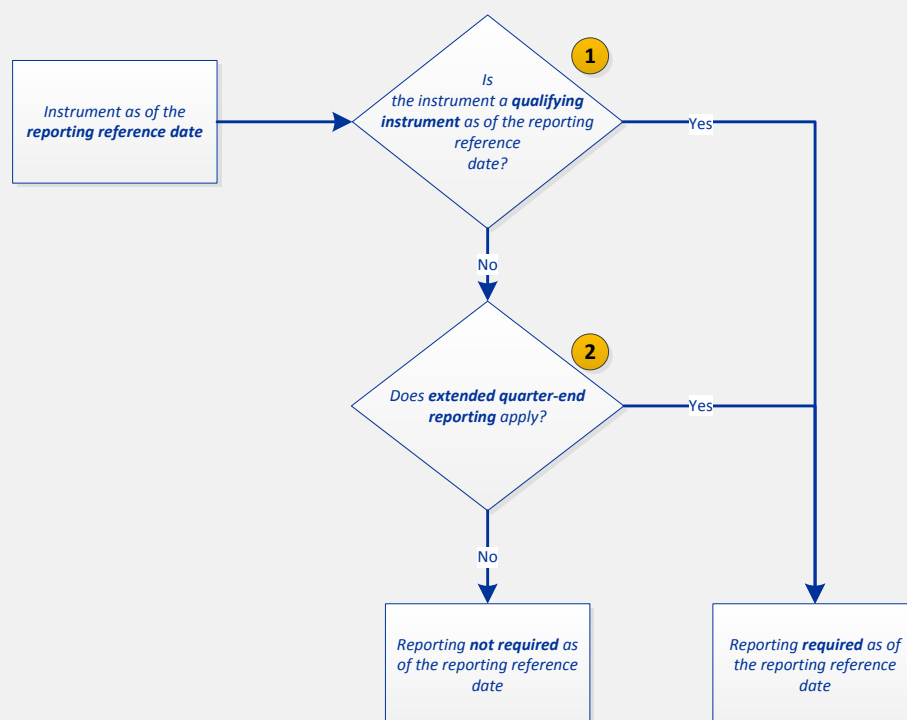
5.2 Criteria triggering reporting as of a reporting reference date

8	<i>Revision mark: this section is</i>	Reporting agents are required to report to the relevant NCB a certain set of
9	<i>modified in line with</i>	information valid as of a given reporting reference date and relating to the
10	<i>Q&A 2017/0002</i>	instruments held or serviced by their observed agents.
11		In relation to a specific observed agent, the reporting obligation is triggered for a
12		given reporting reference date if the instrument held or serviced by the observed
13		agent is a qualifying instrument on the reporting reference date.
14	<i>Revision mark: this paragraph and</i>	Qualifying instruments are in principle subject to AnaCredit reporting only if they are
15	<i>the corresponding chart are</i>	held or serviced by the observed agent. However, an exception exists regarding
16	<i>modified to clarify that instruments</i>	instruments that incur a write-off. More specifically, instruments that incur a write-off
17	<i>are reported until at least the end of</i>	are reported until at least the end of the quarter in which the write-off occurs – i.e.
18	<i>the quarter in which the debtor’s</i>	extended quarter-end reporting applies.
	<i>commitment amount falls below the</i>	
	<i>reporting threshold of €25,000</i>	
19		Consequently, to establish whether an instrument is required to be reported for a
20		given reporting reference date, the reporting agent needs to verify whether it is a
21		qualifying instrument at the reporting reference date or if extended quarter-end
22		reporting applies vis-à-vis the instrument. Chart 10 illustrates the decision flow.

Chart 10: Establishing whether an instrument is required to be reported as of a reporting reference date

To establish whether a (written-off) instrument is required to be reported as of a reporting reference date:

- The reporting agent checks whether the instrument is a qualifying instrument, i.e. it fulfils the respective conditions of Articles 4 and 5 for the corresponding month-end date. ¹
- If the instrument fulfils the respective conditions on the reporting reference date (qualifying instrument), then the instrument is required to be reported as of the reporting reference date.
- If the instrument does not meet the respective conditions, the reporting agent checks whether the instrument is subject to extended quarter-end reporting. ²
- If extended quarter-end reporting applies, the instrument is reported as of the reporting reference date
- Otherwise, the instrument is not required to be reported as of the reporting reference date.



Revision mark: considerations regarding the reporting period are replaced with explanations regarding extended quarter-end reporting in Section 5.2.2

5.2.1

Verifying whether the instrument qualifies as of the month-end

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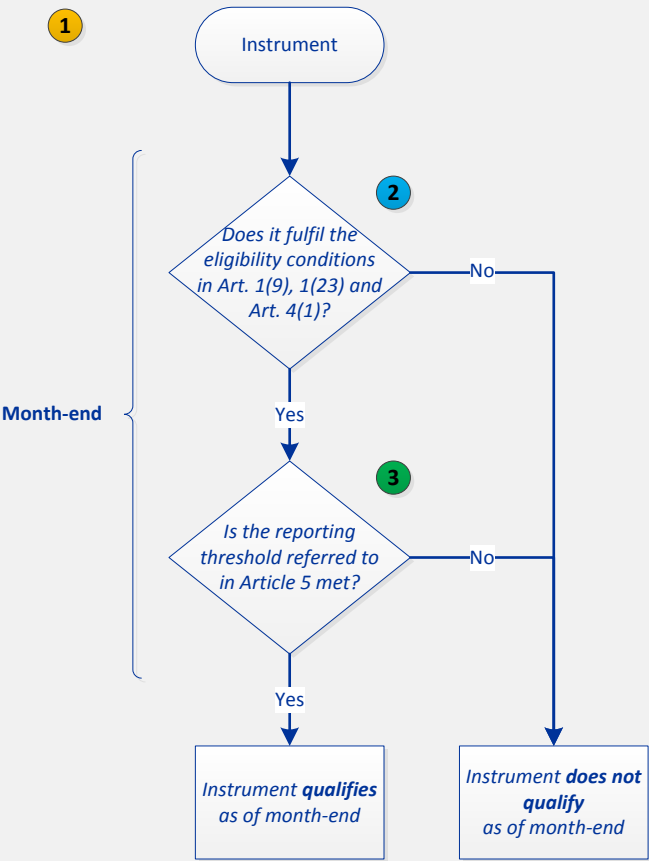
The instrument fulfils the conditions of Articles 1, 4 and 5 and is a qualifying instrument at a month-end date if:

- (a) it is an eligible instrument;
- (b) the debtor's commitment amount vis-à-vis the observed agent reaches or exceeds a total of €25,000, or the equivalent foreign currency amount.

1 Verification of whether these conditions are fulfilled is to be carried out vis-à-vis the
2 observed agent.
3 Chart 11 presents the verification of whether or not an instrument qualifies as of
4 month-end.

Chart 11: Verification whether an instrument qualifies as of a month-end ¹

For a month-end date, it is verified whether the instrument fulfils the eligibility conditions and whether the reporting threshold is exceeded. If the instrument fails to meet either of the two requirements the instrument does not qualify as of the month-end date concerned.



Please note that while condition ² applies at the instrument level, condition ³ refers to a debtor's commitment amount calculated using all eligible instruments of the debtor vis-à-vis the observed agent.

5 The verification in fact comprises two checks of ² the eligibility conditions and ³ the
6 debtor's commitment amount conditions. These checks are discussed in more detail
7 in the following sections.

5.2.1.1 Eligible instruments

- 1 If the instrument fulfils the conditions of Article 1(23) and Article 4(1) on a given
- 2 month-end date within the reference period, the instrument is deemed to be eligible
- 3 as of the month-end date concerned.

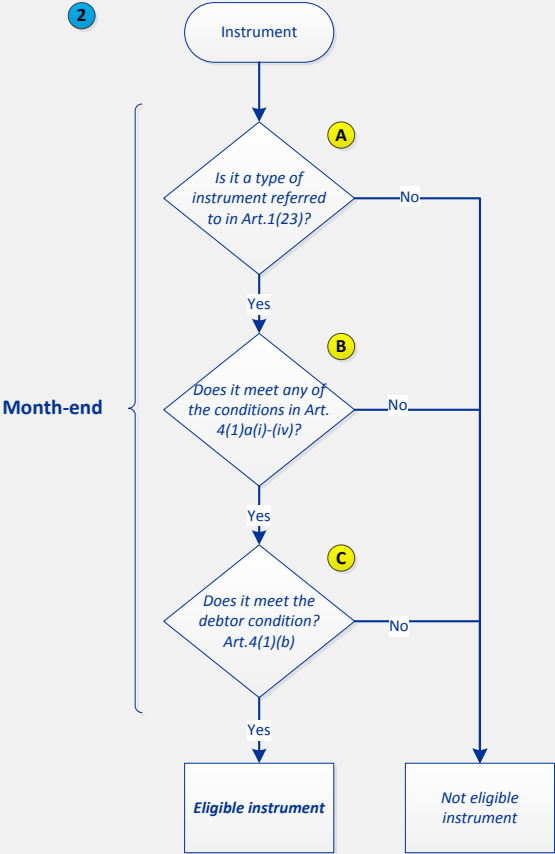
- 4 More specifically, an instrument held or serviced by the observed agent is eligible at
- 5 month-end if all of the following conditions are fulfilled as of the month-end date:
 - (a) the instrument is of one of the types of instrument under Article 1(23) of the AnaCredit Regulation;
 - (b) the instrument satisfies any of the conditions of Article 4(1)(a)(i)-(iv) of the AnaCredit Regulation;
 - (c) in accordance with Article 4(1)(b) of the AnaCredit Regulation, at least one debtor of the instrument is a legal entity or part of a legal entity as defined in Article 1(5) of the AnaCredit Regulation.

- 6 Verification of whether these conditions are fulfilled is to be carried out vis-à-vis the
- 7 observed agent.

- 8 Chart 12 illustrates the verification process to determine whether or not an
- 9 instrument is eligible. All information to be used in the process is valid as of the same
- 10 month-end.

Chart 12: Eligibility check – is the instrument eligible as of a month-end ²

For a month-end date within the reference period, it should be verified whether the instrument fulfils the eligibility conditions referred to in Article 1(23) and Article 4(1).



Revision mark: this paragraph is expanded with clarifications regarding the types of instrument

Condition A: Article 1(23) establishes that the types of instrument held or serviced by the observed agent that are considered in the context of AnaCredit reporting are only the items specified in the data attribute “type of instrument”, as defined in Annex IV of AnaCredit Regulation. These types of instrument are:

- reverse repurchase agreements;
- deposits other than reverse repurchase agreements;
- overdraft;
- credit card debt;
- revolving credit other than overdrafts and credit card debt;
- credit lines other than revolving credit;
- trade receivables;
- financial leases;
- other loans.

The types of instrument are discussed in more detail in Part II of the Manual, which covers the instrument dataset including the attribute “type of instrument”

The types of instrument are discussed in more detail in Section 3.4.1 in Part II of the Manual, which deals specifically with instruments covered in AnaCredit. The general rule is that only instruments of the types of instrument listed above fall within the scope of AnaCredit, while any other instruments, such as bonds or guarantees

given, are not subject to reporting. In particular, the type of instrument takes precedence over the accounting classification or other features of credit when it comes to determining the scope of reporting.

Condition B: An instrument held or serviced by the observed agent that is one of the types of instrument listed above is considered in the context of AnaCredit reporting provided that it fulfils any of the four conditions referred to in Article 4(1)(a). The conditions are that the instrument:

- (a) gives rise to credit risk for the observed agent, or
- (b) is an asset of the observed agent, or
- (c) is recognised under the relevant accounting standard used by the observed agent's legal entity and gave rise to credit risk for the observed agent in the past, or
- (d) is serviced by the observed agent resident in a reporting Member State and
 - (i) was granted to other institutional units of the same legal entity that the observed agent is part of, or
 - (ii) is held by a legal entity which is not a credit institution resident in a reporting Member State different to the observed agent.

Condition C: Pursuant to Article 4(1)(b) of the AnaCredit Regulation, an instrument held or serviced by the observed agent is only considered if at least one debtor of the instrument is a legal entity or part of a legal entity as defined in Article 1(5).

Revision mark: this paragraph is streamlined and rearranged

Otherwise, if the only debtor (or all debtors if there are more than one) of the instrument is a natural person, then the instrument is not eligible in the context of AnaCredit reporting.

The conditions are discussed in more detail in Chapter 4 which addresses topics such as held instruments, serviced instruments, loans between parent and subsidiaries, loans between institutional units (intracompany loans) and off-balance-sheet instruments.

The following examples provide an illustration of how condition C is applied.

Example 9: Loan granted to an investment fund

A loan held by the observed agent, classed as "other loans" according to the type of instrument under Article 1(23) and granted to an investment fund fulfils condition C above. The investment fund is a debtor of the loan.

Example 10: Credit card debt granted to a natural person

A credit card debt granted by the observed agent, classified as “credit card debt” according to the type of instrument under Article 1(23) and granted to a natural person does not fulfil condition C above.

Example 11: Revolving credit granted to a partnership

A revolving credit granted by the observed agent, classified as “revolving credit other than overdrafts and credit card debt” according to the type of instrument under Article 1(23) and granted to a partnership is deemed to fulfil condition C above.

The partnership is set up by a deed of partnership, which sets out the legal relationship between partners (how profits will be shared out, responsibilities of partners, etc.). The partners have unlimited liability, i.e. they are jointly and severely responsible for the debts of their partnership. The partnership is a legal entity as defined in Article 1(5) of the AnaCredit Regulation.

Example 12: Loan granted to a natural person and a company

A mortgage loan granted by the observed agent, classified as “other loans” according to the type of instrument under Article 1(23) and granted to a natural person and a private company, which are jointly liable for the debt, is deemed to fulfil condition C above.

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A mechanical application of the eligibility checks is illustrated in Example 13 for a number of banking products held or serviced by an observed agent.

Example 13: Application of the eligibility checks

The example illustrates the applicability of the eligibility checks as of a month-end date. The application of these checks results in an instrument being classed as either eligible or not eligible. The banking products are first classified according to the appropriate type of instrument, if any. Conditions A, B and C are then checked one by one. Finally, the instruments are classified as either eligible or not eligible based on the outcome of these checks.

Note that this is only an illustration and not all banking products mentioned below necessarily share these properties and some products may have both legal entities and natural persons as debtors.

Case ID	Banking product	A Is it one of the types of instrument under Article 1(23)?	B Are any of the conditions of Article 4(1)(a)(i)-(iv) met?	C Is any debtor a legal entity under Article 1(5)?	Outcome
1	Advance payment guarantee	No	Yes	Yes	Not eligible
2	Working capital credit	Yes	Yes	Yes	Eligible
3	Letter of credit confirmation	No	Yes	Yes	Not eligible
4	Term loan	Yes	Yes	No	Not eligible
5	Financial lease	Yes	Yes	Yes	Eligible
6	Business credit card	Yes	Yes	Yes	Eligible
7	OTC derivatives	No	Yes	Yes	Not eligible

8	Project finance	Yes	Yes	Yes	Eligible
9	Defaulted loan	Yes	Yes	Yes	Eligible
10	Mortgage loan	Yes	Yes	Yes	Eligible
11	Retail credit (revolving)	Yes	Yes	No	Not eligible
12	Retail credit (non-revolving)	Yes	Yes	Yes	Eligible

For a given banking product, the type of instrument is determined based on the definitions provided in Annex IV of the AnaCredit Regulation in the data attribute “type of instrument”, to which Article 1(23) refers. In fact, the type of instrument is actually determined on the basis of a number of features (laid down in the definitions of the individual types of instrument) which go beyond the brief description provided here for illustrative purposes.

Please note that for some banking products which are held or serviced by banks, there may not be an appropriate type of instrument because it may not be covered by the scope of the collection as laid down in the AnaCredit Regulation. For example, a financial guarantee given by a bank does not have a corresponding type of instrument in Annex IV.¹⁷

If any of the three eligibility conditions is not fulfilled, the instrument held or serviced by the bank is not eligible. For example:

- a financial guarantee (Case 1) is not eligible because it does not correspond to any of the type of instrument laid down in Annex IV of the AnaCredit Regulation;
- a term loan (Case 4) may not be eligible if the only debtor of the loan is a natural person;
- an over-the-counter (OTC) derivative (Case 7) is not eligible because it does not correspond to any of the type of instrument laid down in Annex IV.

Please note that whether or not a particular condition is fulfilled depends on a number of other features which are not necessarily mentioned in this description.

- 1 Having established whether or not an instrument is eligible, the debtor’s commitment
- 2 amount vis-à-vis the observed agent is considered.

5.2.1.2 Debtor’s commitment amount vis-à-vis the observed agent

- 3 The reporting agent verifies as of month-end whether the sum of all eligible
- 4 instruments of a debtor, held or serviced by the observed agent, reaches or exceeds
- 5 the reporting threshold as defined in Article 5 of the AnaCredit Regulation.

- 6 Only instruments vis-à-vis the
 - 7 observed agent, all data as of the same month-end date
- The verification is to be carried out vis-à-vis the observed agent. All information to be used in the verification is as of a month-end date.

- 8 The verification is carried out for instruments that fulfil the conditions laid down in
- 9 Article 1(23) and Article 4(1) of the AnaCredit Regulation, i.e. eligible instruments and
- 10 only for such instruments. The eligibility of instruments is explained in Section 5.2.1.1.

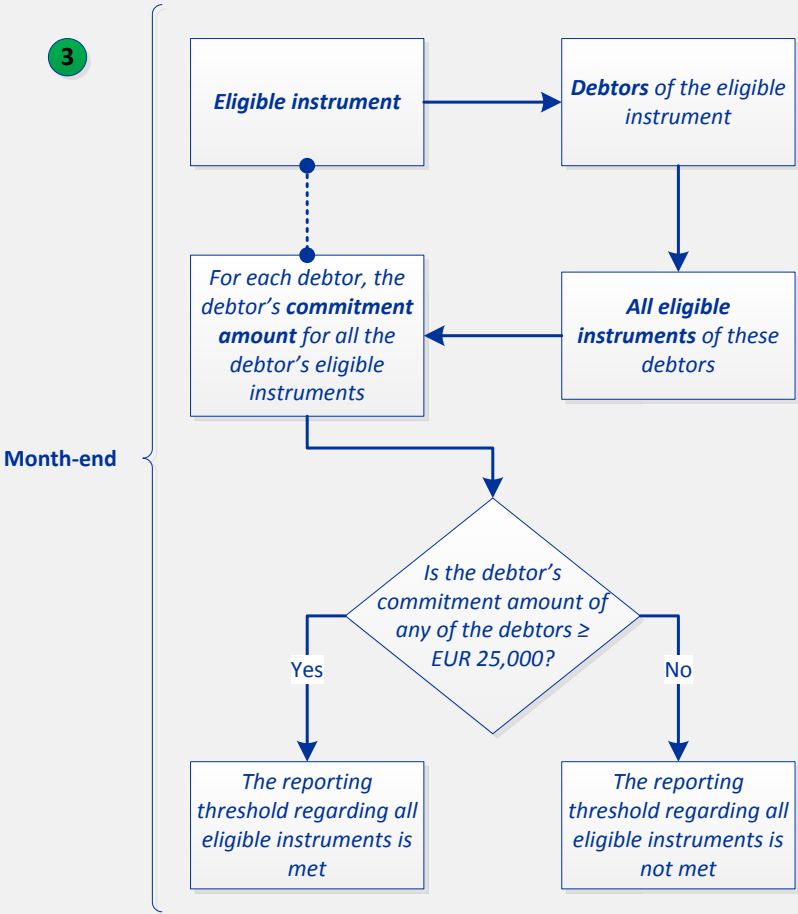
¹⁷ However, financial guarantees are subject to reporting in the protection received and instrument-protection received datasets if they serve as protection to any instrument that is reported to AnaCredit.

1 The reporting threshold referred to in Article 5 is defined at debtor level. Therefore, in
2 order to verify whether the threshold is reached in relation to a debtor, the debtor's
3 commitment amount is calculated. All eligible instruments of the debtor are
4 considered in the calculation. If the debtor's commitment amount reaches or exceeds
5 the reporting threshold, the reporting threshold is deemed to be met for all eligible
6 instruments of the debtor.

7 The steps of the verification are depicted in Chart 13.

Chart 13: Verification of whether the reporting threshold is reached ³

For each month-end, it is verified whether the instrument fulfils the eligibility conditions referred to in Article 1(23) and Article 4(1).



8 *Revision mark: the subsequent*
9 *paragraphs are adjusted to align*
10 *with the terminology introduced and*
further clarifications are added

11 The debtor's commitment amount is
12 calculated as the sum of the
13 commitment amounts for all eligible
instruments of the debtor vis-à-vis
the observed agent

Pursuant to Article 1(25), the commitment amount for an eligible instrument is defined as the sum of the outstanding nominal amount and off-balance-sheet amount, where both amounts relate to the eligible instrument concerned.

The debtor's commitment amount is calculated as the sum of the commitment amounts for all eligible instruments (and only such instruments) of the debtor held or serviced by the observed agent.

Please refer to Section 4.6.3 for details regarding the off-balance sheet amount of instruments under a credit cross limit (e.g. multi-product credit facilities).

Any eligible instrument vis-à-vis another observed agent (related to the same reporting agent) is irrelevant for the calculation of the debtor's commitment amount.

For a given debtor, if the debtor's commitment amount (vis-à-vis the observed agent) reaches or exceeds the reporting threshold of €25,000, then all eligible instruments (held or serviced by the observed agent) in which the debtor is involved are qualifying instruments.

The starting point for the verification is the eligible instrument. Based on the eligible instrument, debtors of the instrument are identified. There are two possibilities:

1. there is only one debtor of the eligible instrument in question;
2. there are two or more debtors of the eligible instrument in question.

Revision mark: the following example has been enhanced with further clarifications

In the first case where there is only one debtor involved, it is necessary to identify all other eligible instruments held or serviced by the observed agent in which the debtor is also involved, irrespective of whether the debtor is the only debtor or there is a plurality of debtors of any such instruments. This is illustrated in Example 14.

Example 14: Calculation of the debtor's commitment amount

This example concerns the calculation of the debtor's commitment amount in relation to instruments other than instruments governed under a cross-limit.

As of a month-end, client A is the only debtor of the following four instruments held or serviced by the observed agent. Client A has no other instruments vis-à-vis the observed agent.

Instrument ID	Eligible? (i.e. meets conditions A, B and C in Section 5.2.2.1)	Outstanding nominal amount	Off-balance sheet amount	Commitment amount
Instrument 1	Not eligible	0.00	100,000.00	100,000.00
Instrument 2	Eligible	0.00	30,000.00	30,000.00
Instrument 3	Not eligible	5,000.00	45,000.00	50,000.00
Instrument 4	Eligible	12,000.00	0.00	12,000.00

Two of the instruments are deemed eligible, the other two instruments are deemed not to be eligible.

To determine whether the reporting threshold referred to in Article 5 is reached or exceeded, the debtor's commitment amount is established by adding the commitment amounts of the two eligible instruments.

The outstanding nominal amount and off-balance-sheet amount are added together for each instrument separately. This sum is referred to as the commitment amount of the instrument.

The debtor's commitment amount in respect of all eligible instruments is established as follows:

- all eligible instruments in which the debtor is involved are identified; these are Instruments 2 and 4;

- the commitment amounts of the instruments identified as eligible in the previous step are €30,000 for Instrument 2 and €12,000 for Instrument 4;
- the two instruments that are not eligible are not considered in the calculation of the debtor's commitment amount vis-à-vis the observed agent;
- the debtor's commitment amount is determined to be €42,000 (€30,000 + €12,000), as effectively only Instruments 2 and 4 are considered.

Since the debtor's commitment amount exceeds the reporting threshold of €25,000, Instruments 2 and 4 are qualifying instruments as of the month-end.

Revision mark: further clarifications are added in these paragraphs

In the second case where there are multiple debtors of the eligible instrument, the debtor's commitment amount is calculated separately for each debtor of the instrument. The instrument's commitment amount is to be included in the calculation of each debtor's commitment amount (i.e. no apportioning of the instrument's commitment amount is to be performed).

The conditions laid down in Article 5 of the AnaCredit Regulation are such that all debtors of a multi-debtor eligible instrument are first identified. All other eligible instruments held or serviced by the observed agent in which these debtors are also involved are then identified for each debtor separately, irrespective of whether the debtor is the only debtor or there is a plurality of debtors for any such instruments. The reporting threshold condition for reporting a multi-debtor eligible instrument is met if the debtor's commitment amount exceeds €25,000 for at least one of these debtors. Conversely, if the debtor's commitment amount for all the debtor's eligible instruments does not reach or exceed €25,000 for any of the debtors, none of the eligible instruments qualifies for reporting.

Revision mark: clarification is added regarding the requirement to report all legal entities related to a reportable instrument

Once a multi-debtor eligible instrument is subject to reporting (based on the debtor's commitment amount of at least one legal entity), all legal entities that are debtors of the instrument are reported to AnaCredit as debtors of the instrument independently of their individual debtor's commitment amounts. This is illustrated in Example 15.

Example 15: Commitment amount in the case of a multi-debtor situation

This example concerns the calculation of the debtor's commitment amount in the case of multi-debtor instruments, where the commitment of one of the debtors is below the reporting threshold.

As of the month-end there is an Instrument 1 with two debtors: legal entity A and legal entity B.

Legal entity A is a debtor of two eligible instruments vis-à-vis the observed agent: Instrument 1 and Instrument 2. The commitment amount of Instrument 1 is €15,000 and the commitment amount of Instrument 2 is €12,000. There are no other instruments of the debtor vis-à-vis the observed agent.

Consequently, the debtor's commitment amount of legal entity A exceeds €25,000.

This means that both eligible instruments (Instrument 1 and Instrument 2) of legal entity A fall within the scope of AnaCredit and need to be reported.

With regard to legal entity B, the debtor has only one eligible instrument vis-à-vis the observed agent, i.e. Instrument 1. The debtor's commitment amount of legal entity B is

therefore €12,000 and does not exceed the reporting threshold of €25,000.

However, as Instrument 1 is subject to reporting (based on the debtor's commitment of legal entity A, legal entity B is required to be reported to AnaCredit in relation to this instrument – in fact, both legal entity A and legal entity B are required to be reported in the counterparty-instrument dataset as debtors to Instrument 1.

In addition, since both debtors are registered in the counterparty-instrument dataset, the counterparty reference data is also reported for both legal entity A and legal entity B.

In the case of a plurality of debtors, the actual amount up to which an individual debtor is liable in respect of the eligible instrument is not relevant when calculating the debtor's commitment amount

In this connection, the actual amount up to which an individual debtor is liable in respect of a given instrument is irrelevant given the definition of the debtor's commitment amount in Article 5(2) of the AnaCredit Regulation, which refers to the sum of the commitment amounts (i.e. outstanding nominal amount plus off-balance-sheet amount) for all eligible instruments of the debtor rather than the sum of the parts of the commitment amounts of the instruments for which the debtor is liable.

Revision mark: further clarifications regarding individual debtors of a qualifying instrument are added in these paragraphs

In other words, once an instrument is eligible, the commitment amount of that instrument is considered in the calculation of the debtor's commitment amount of each debtor, even if it is only partially jointly liable. If the debtor's commitment amount of at least one debtor is equal to or exceeds €25,000, the instrument becomes a qualifying instrument and is consequently reported to AnaCredit.

However, any other eligible instruments of the debtors of a qualifying instrument whose debtor's commitment amount is lower than €25,000 do not meet the conditions for being qualifying instruments. Such instruments are reported to AnaCredit only if they also had at least one other debtor whose debtor's commitment amount is equal to or exceeds €25,000.

Example 16 illustrates the verification process in the case of a plurality of debtors.

Revision mark: the following example has been enhanced with further clarifications

Please note that the threshold defined in Article 5 of the AnaCredit Regulation refers only to the debtor's commitment amount; protection providers are reported regardless of the protection value as there is no threshold for protection providers.

Example 16: Calculation of the debtor's commitment amount in the case of a plurality of debtors (joint liabilities)

As of a month-end, the observed agent holds or services the following six instruments. The outstanding nominal amount and off-balance sheet amount are added together for each instrument separately. The sum is referred to as the commitment amount.

Instrument ID	Eligible?	Outstanding nominal amount	Off-balance sheet amount	Commitment amount
Instrument 5	Eligible	9,000.00	0.00	9,000.00
Instrument 6	Eligible	3,330.00	170.00	3,500.00
Instrument 7	Eligible	10,000.00	5,000.00	15,000.00
Instrument 8	Eligible	5,000.00	0.00	5,000.00
Instrument 9	Not eligible	12,000.00	3,000.00	15,000.00
Instrument 10	Not eligible	5,000.00	0.00	5,000.00

There are two counterparties, client B and client C, who are debtors of the instruments included in the tables. The debtors have no other instruments vis-à-vis the observed

agent. The liabilities of the debtors are defined as shown in the following tables (Instrument 5 is the only instrument in which client B and client C are debtors):

Debtor ID	Instrument ID	Debtor ID	Instrument ID
Client B	Instrument 5	Client C	Instrument 5
Client B	Instrument 6	Client C	Instrument 8
Client B	Instrument 7	Client C	Instrument 10
Client B	Instrument 9		

Client B is the only debtor of Instruments 6, 7 and 9 and is one of the debtors of Instrument 5 (i.e. there is a plurality of debtors). Client C is the only debtor of Instruments 8 and 10 and is one of the debtors of Instrument 5. There are no other instruments vis-à-vis the observed agent in which these clients are debtors.

To determine whether the eligible instruments held or serviced by the observed agent reach or exceed the threshold referred to in Article 5, the debtor's commitment amount is established for these instruments, taking into account that there are two debtors of Instrument 5.

For client B, one of debtors of Instrument 5, the debtor's commitment amount is established as follows:

- i. all eligible instruments in which client B is involved are identified (Instruments 5 to 7);
- ii. the commitment amounts of the identified instruments are €9,000 for Instrument 5, €3,500 for Instrument 6 and €15,000 for Instrument 7;
- iii. Instrument 9 is not considered as it is not eligible;
- iv. the debtor's commitment amount for client B is determined to be €27,500 (€9,000 + €3,500 + €15,000).

For client C, the other debtor of Instrument 5, the debtor's commitment amount is established as follows:

- i. all eligible instruments in which client C is involved are identified (Instruments 5 and 8);
- ii. the commitment amounts of the identified instruments are €9,000 for Instrument 5 and €5,000 for Instrument 8;
- iii. Instrument 10 is not considered as it is not eligible;
- iv. the debtor's commitment amount for client C is determined to be €14,000 (€9,000 + €5,000).

Instrument 5 is therefore a qualifying instrument as of the month-end, as are Instruments 6 and 7. In this case only client B's commitment amount exceeds €25,000 and all instruments relating to client B are reported, including client C's involvement in Instrument 5.

However, Instrument 8 of client C (although it is an eligible instrument) is not a qualifying instrument as of the month-end because the debtor's commitment amount of client C is lower than €25,000.

1 Please refer to Sections 6.1.1 and 6.1.3 in Part II of the Manual for more details on a
2 plurality of debtors.

*Revision mark: former section on
written-off loans has been moved
down to Section 5.2.2*

5.2.2 Verifying whether extended quarter-end reporting applies

3 *Revision mark: this section is
4 aligned with Q&A 2017/0002*

The use of the reference period in Article 5(1) of the AnaCredit Regulation implies that instruments are reported until at least the end of the quarter in which the debtor's commitment amount falls below the reporting threshold of €25,000. This extended quarter-end reporting is of particular relevance for written-off instruments and is aimed at capturing the total write-off amount via the accounting dataset as of the quarter-end reporting reference date.

9 The use of the reference period when setting out the requirements in Articles 4 and 5
10 of the AnaCredit Regulation in combination with extended quarter-end reporting
11 ensures that each qualifying instrument that incurs a write-off is reported at least until
12 the end of the calendar quarter in which the debtor's commitment amount falls below
13 the reporting threshold (as a result of the write-off).

14 By maintaining the reporting obligation for written-off instruments until the quarter-
15 end date, certain relevant information can be registered in AnaCredit which would
16 otherwise remain uncaptured. For example, the total write-off amount relating to the
17 instrument is captured in AnaCredit via the accounting dataset as of the quarter-end
18 reporting reference date.

5.2.2.1 Reporting reference date and quarter-end date

19 *Revision mark: the subsequent
20 paragraphs are added in line with
21 Section 3.1.6.1 in Part II of the
22 Manual*

More specifically, the reporting until the quarter-end concerns eligible instruments which incur a write-off. Otherwise, in cases where there is no write-off, if the debtor's commitment amount falls below the reporting threshold of €25,000, the instruments are not subject to reporting after the drop in the debtor's commitment amount.

23 With regard to instruments with a write-off, two cases emerge, generally depending
24 on whether or not the instrument is still held or serviced by the observed agent:

- a) a written-off instrument is reported beyond the end of the quarter only if the instrument is still held or serviced by the observed agent and the debtor's commitment amount is equal to or exceeds the reporting threshold of €25,000 (i.e. when the debtor of the written-off instrument also has other instruments vis-à-vis the observed agent and the instruments are subject to reporting);
- b) an instrument that is no longer held or serviced by the observed agent (for example, when it is sold to another counterparty or debt forgiveness applies) and in relation to which a write-off has taken place is reported only until the end of the quarter in which the observed agent ceases to hold or service the instrument.

Revision mark: the clarifications about the reference period are replaced with explanations about quarter-end dates

While determining whether extended quarter-end reporting applies for an instrument as of a given reporting reference date, it is necessary to first establish the quarter-end corresponding to the reporting reference date. For this purpose, the quarter-end is the last calendar day of the quarter which includes the reporting reference date. Example 17 illustrates how the quarter-end date is established for selected reporting reference dates.

Example 17: Quarter-end for reporting reference date

The quarter-end for the reporting reference date 30 September 2018 is 30 September 2018;

- This because 30 September 2018 is also the last day of the quarter that includes the reporting reference date.

The quarter-end for the reporting reference date 31 October 2018 is 31 December 2018;

- This is because 31 December 2018 is the last day of the quarter that includes the reporting reference date.

5.2.2.2 Written-off loans

Revision mark: this section includes the explanations provided in the former Section 5.2.2.2.1

A write-off is the full or partial write-down of the carrying amount of an instrument. In the case of a full write-off, the operation leads to the removal of the instrument from the balance sheet. Instruments are often written off when no future economic benefit is expected from them, for example when a loan is considered to be uncollectible, even though the institution may retain the claim against the debtor.

Consequently, in the event of a write-off of an instrument in relation to which the observed agent acts as creditor and which was an asset under the relevant accounting standard, the instrument is removed from the balance sheet, but the observed agent remains the creditor of the instrument for as long as it retains the claim against the debtor (i.e. the loan is not forgiven).

Please note that in the context of AnaCredit the accumulated write-off amount of an eligible instrument is not included in the calculation of the debtor's commitment amount. However, the accumulated write-off amount of an eligible instrument that is

fully or partially written-off is reported to AnaCredit, with the reporting obligation being dependent on either the debtor's commitment amount or the time when the debtor's commitment amount falls below the reporting threshold of €25,000 due to the write-off.

More specifically, if the debtor's commitment amount drops below the reporting threshold of €25,000 as a result of a write-off (of one loan), the written-off loan is reported until the end of the quarter in which the drop occurs. However, if the debtor's commitment amount continues to exceed the reporting threshold of €25,000 (despite the fact that a loan has been fully or partially written off), the written-off loan is reported for as long as the instrument exists and the debtor's commitment amount continues to exceed the reporting threshold, including beyond the end of the quarter in which the loan was written off). This is further illustrated in Example 18.

Example 18: General guidelines regarding reporting of written-off instruments to AnaCredit

This example concerns an instrument in which the observed agent acts as creditor. There is only one debtor, which is a legal entity. As of 31 March 2019, the instrument is recognised under the relevant accounting standard and the outstanding nominal amount is €1,000,000 (there is no off-balance-sheet amount). However, in the course of April 2019, the creditor considers the instrument uncollectible and the instrument is removed from the balance sheet in accordance with the applicable accounting standard.

Please note that the example focuses on determining whether or not the instrument is subject to AnaCredit reporting at a month-end date, given a set of features related to the instrument at that date, rather than on data attributes that are required to be reported at the reference date. For this reason, features such as accumulated write-offs and debtor's commitment amount are shown in the subsequent tables, despite the fact that they may not be required to be reported for a given reference date.

Based on the criteria triggering reporting, the instrument is subject to AnaCredit reporting as of 31 March 2019.

Month-end	Instrument ID	Outstanding nominal amount	Commitment amount	Is it reportable to AnaCredit?
31/03/2019	Instrument 1	1,000,000.00	1,000,000.00	Yes

However, there are two possibilities with regard to subsequent reporting periods, depending on whether or not the debtor has any other instruments vis-à-vis the observed agent:

Scenario 1 – debtor has no other instruments

In accordance with the reference period, the instrument is reported until the end of the quarter in which the debtor's commitment amount fell below the reporting threshold of €25,000 and is not reported thereafter.

Month-end	Instrument ID	Outstanding nominal amount	Accumulated write-offs	Debtor's commitment amount	Is it reportable to AnaCredit?
31/03/2019	Instrument 1	1,000,000.00	0.00	1,000,000.00	Yes
30/04/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
31/05/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
30/06/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
31/07/2019	Instrument 1	Not reported	Not reported	Not reported	No

Scenario 2 – debtor has another instrument

The debtor also has another instrument with an outstanding nominal amount of €500,000. The instrument is written off in July 2019.

Under these additional assumptions, the reporting obligation is as follows:

Month-end	Instrument ID	Outstanding nominal amount	Accumulated write-offs	Debtor's commitment amount	Is it to be reported to AnaCredit?
31/03/2019	Instrument 1	1,000,000.00	0.00	1,500,000.00	Yes
31/03/2019	Instrument 2	500,000.00	0.00	1,500,000.00	Yes
30/04/2019	Instrument 1	0.00	1,000,000.00	500,000.00	Yes
30/04/2019	Instrument 2	500,000.00	0.00	500,000.00	Yes
31/05/2019	Instrument 1	0.00	1,000,000.00	500,000.00	Yes
31/05/2019	Instrument 2	500,000.00	0.00	500,000.00	Yes
30/06/2019	Instrument 1	0.00	1,000,000.00	500,000.00	Yes
30/06/2019	Instrument 2	500,000.00	0.00	0.00	Yes
31/07/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
31/07/2019	Instrument 2	0.00	500,000.00	0.00	Yes
31/08/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
31/08/2019	Instrument 2	0.00	500,000.00	0.00	Yes
30/09/2019	Instrument 1	0.00	1,000,000.00	0.00	Yes
30/09/2019	Instrument 2	0.00	500,000.00	0.00	Yes
31/10/2019	Instrument 1	Not reported	Not reported	Not reported	No
31/10/2019	Instrument 2	Not reported	Not reported	Not reported	No

Both instruments are reported until the end of the quarter in which the debtor's commitment amount falls below €25,000, i.e. until 30 September 2019. The instruments are not reported thereafter.

The reason why Instrument 1 is still reported beyond the end of the quarter in which the instrument was written off is that the observed agent still acts as creditor of the instrument and the debtor's commitment amount exceeds the reporting threshold in the reference period as defined in Article 4(2) of the AnaCredit Regulation.

1 If a written-off instrument ceases to exist vis-à-vis the observed agent after a write-off (for instance due to debt forgiveness or due to a sale to a third party), the
2 instrument is not required to be reported beyond the end of the quarter in which it
3 ceases to exist, irrespective of whether or not there are other instruments of the
4 debtor (vis-à-vis the observed agent) reported to AnaCredit.
5

6 The reason why written-off instruments are subject to AnaCredit reporting is that the
7 credit institution holds the instrument and there is a counterparty (the debtor) which
8 has an obligation to pay and, as long as the write-off does not release the debtor
9 from the obligation, the credit institution is a creditor of the instrument and bears the
10 credit risk of the instrument.

5.2.3 Determining whether an instrument is required to be reported to AnaCredit

Revision mark: this section is adjusted to align with Q&A 2017/0002

The explanations concerning the applicability of extended quarter-end reporting take precedence over the general rules provided in Section 5.2.1.2 concerning the debtor's commitment amount.

Once it has been established, for each month-end date within the reference period, corresponding to a reporting reference date, whether an instrument qualifies as of the month-end, the individual month-end results are considered jointly to determine whether the instrument is required to be reported to AnaCredit as of the reporting reference date.

Revision mark: this paragraph is expanded with explanations which link the reference period to the reporting obligations relevant for written-off instruments

Furthermore, since the reference period referred to in Article 4 of the AnaCredit Regulation that corresponds to the reporting reference date always starts at the end of the quarter preceding the reporting reference date and continues until the reporting reference date, it follows, in accordance with Section 5.2.1, that written-off instruments fulfilling the conditions of Article 4(1)(a)(i)-(iv) at or after the end of the preceding quarter continue to be reported at the reporting reference dates in the current quarter, even if the debtor's commitment amount (of the debtor of the eligible instrument) does not reach or exceed the reporting threshold at the reporting reference date.

Revision mark: the subsequent examples are added following Q&A 2017/0002

However, in cases where the debtor's commitment amount falls below the reporting threshold of €25,000 for reasons other than a write-off, the instruments are not subject to reporting after the drop in the debtor's commitment amount.

For an illustration, please see the following examples.

Example 19: The reporting of a fully repaid instrument incurring no write-off

An instrument which is reported to AnaCredit for the reporting reference dates from 31 December to 28 February is fully repaid on 14 March.

The instrument does not incur any loss in the period concerned.

Consequently, the instrument is not reported to AnaCredit as of 31 March and the last record available in AnaCredit relates to 28 February.

Furthermore, the last quarterly information available for the instrument goes back to 31 December.

Example 20: The reporting of partially repaid instruments incurring no write-off

A debtor has only one non-revolving instrument.

On 31 January the debtor's commitment amount is €27,000 vis-à-vis the observed agent and the instrument is reported to AnaCredit at the reporting reference date.

On 17 February, the debtor makes a payment (e.g. of €5,000), which results in the debtor's commitment amount falling below the reporting threshold. The debtor's commitment amount does not increase thereafter. In this case, the instrument is not reported as of 28 February or as of 31 March.

Example 21: The reporting of partially securitised instruments

A debtor has only one instrument. As of 31 January the debtor's commitment amount is €40,000 vis-à-vis the observed agent and the instrument is reported to AnaCredit.

As of 14 February part of the instrument is subject to securitisation, in which €20,000 is transferred in a true sale to a special purpose vehicle (SPV). The observed agent keeps the servicing rights of the transferred part of the instrument.

In this case, the partial transfer does not reduce the outstanding nominal amount (see Section 4.4.3 in Part II of the Manual) and the debtor's commitment amount is still €40,000, even after the transfer.

Consequently, the reporting of the instrument continues after the transfer date.

Example 22: The reporting of sold instruments incurring no write-off

A debtor has only one instrument.

As of 31 March the debtor's commitment amount is €80,000 vis-à-vis the observed agent and the instrument is reported to AnaCredit.

On 9 April the instrument is sold to a third party. The observed agent does not keep the servicing rights of the sold instrument.

In this case, the observed agent neither holds nor services the instrument after the sale. Furthermore, as the observed agent does not incur a loss that needs to be captured in AnaCredit (i.e. no write-off), the observed agent does not report the instrument after the sale (see Section 3.1.6 in Part II of the Manual).

- 1 *Revision mark: the following example (former Example 21) is*
- 2 *adjusted in line with Q&A 2017/0002*

Example 23 shows whether an instrument with no write-off is subject to reporting if the debtor's commitment amount falls below the reporting threshold of €25,000.

Example 23: Determining whether an instrument with no write-off is subject to reporting as of a reporting reference date

On 16 September 2018, the observed agent grants a credit, e.g. a term loan, to client D, a legal entity, in the amount of €28,000, disbursed in full on that date.

The loan is a qualifying instrument. Client D has no other credit vis-à-vis the observed agent.

On the 15th day of every month, client D repays €1,000. The relevant month-end data for the loan are assumed to be as follows. In addition, it is verified whether the instrument (which does not incur a write-off) is subject to AnaCredit reporting on the reporting reference dates concerned.

Month-end	Credit	Outstanding nominal amount	Commitment amount	Debtor's commitment amount	Is it to be reported to AnaCredit?
30/09/2018	Term loan	28,000.00	28,000.00	28,000.00	Yes
31/10/2018	Term loan	27,000.00	27,000.00	27,000.00	Yes
30/11/2018	Term loan	26,000.00	26,000.00	26,000.00	Yes
31/12/2018	Term loan	25,000.00	25,000.00	25,000.00	Yes
31/01/2019	Term loan	24,000.00	24,000.00	24,000.00	No
28/02/2019	Term loan	23,000.00	23,000.00	23,000.00	No
31/03/2019	Term loan	22,000.00	22,000.00	22,000.00	No

Notably, since in cases where there is no write-off, if the debtor's commitment amount falls below the reporting threshold of €25,000, the instrument is not subject to reporting after the drop in the debtor's commitment amount (i.e. after 15 January 2019) and, consequently, the instrument is reported to AnaCredit for the last time as of 31 December 2018.

The requirement to continue up to the end of the quarter in which the debtor's total commitment amount falls below €25,000 is necessary to ensure that information is available about the reason why a loan is no longer reported in AnaCredit

Revision mark: this paragraph is expanded with explanations that extended quarter-end reporting does not apply to instruments that do not incur a write-off

Extending the reporting of instruments to AnaCredit until the end of the current quarter is necessary in order to capture in AnaCredit instruments that change from qualifying to not qualifying during the current quarter if an instrument is written off and the debtor's commitment amount falls below the reporting threshold of €25,000. The requirement to continue until the end of the quarter in which the debtor's total commitment amount falls below €25,000 is necessary to ensure that information about the write-off is available in AnaCredit via the accounting dataset which is reported on a quarterly basis. Instruments for which the debtor's commitment amount falls below the reporting threshold of €25,000 but for which no write-off has occurred need not be reported in the extended period.

No retroactive reporting of instruments not required earlier

The fact that an instrument which was not required to be reported as of a previous reporting reference date is required to be reported as of a subsequent reporting reference date does not imply that the instrument needs to be reported retroactively as of the previous reference date. The respective reporting obligations are illustrated in Example 24.

Example 24: No retroactive reporting of instruments not required earlier

Example 23 above is modified as follows:

On 16 May 2019, the observed agent grants to client D another credit, a balloon loan, in the amount of €20,000, disbursed in full on that date.

The type of instrument of this credit is deemed to be "other loans". No repayment of the credit is agreed before 30 June 2019.

The month-end data of Client D vis-à-vis the observed agent are assumed to be as follows:

Month-end	Credit	Outstanding nominal amount	Commitment amount	Debtor's commitment amount	Is it to be reported to AnaCredit?
30/04/2019	Term loan	21,000.00	21,000.00	21,000.00	No
31/05/2019	Term loan	20,000.00	20,000.00	40,000.00	Yes
31/05/2019	Balloon loan	20,000.00	20,000.00	40,000.00	Yes
30/06/2019	Term loan	19,000.00	19,000.00	39,000.00	Yes
30/06/2019	Balloon loan	20,000.00	20,000.00	39,000.00	Yes

As concluded before, the term loan is not required to be reported as of 30 April 2019.

As of 31 May 2019, however, with the addition of the new credit instrument, which raises the debtor's commitment amount above the reporting threshold of €25,000, both the term loan and the balloon loan are required to be reported.

Similarly, both credit instruments are required to be reported as of 30 June 2019.

In no way does the reporting obligation as of 31 May and 30 June trigger any retroactive reporting of the term loan as of 30 April 2019.

6 Concept of credit, data model and reportable datasets

1 This chapter addresses the concept of credit which is modelled by distinguishing
2 between three main building blocks: instrument, protection and counterparty.

3 The concept of credit is not just a data model but a whole conceptual model
4 describing how a credit is conceived for the purpose of AnaCredit.

5 After introducing the concept of credit, the chapter discusses how the concept of
6 credit is translated into reportable datasets and looks at the mutual relationships
7 between the reportable datasets. The description is threefold: first the conceptual
8 data model is discussed, then the logical data model is described, and finally the
9 specific datasets are explained on the basis of the data model.

6.1 Conceptual data model

10 The concept of credit is not just a
11 data model but a whole conceptual
12 model on how a credit is conceived
13 for the purpose of AnaCredit

14 *Revision mark: the term “(data)
entity” is added and used
interchangeably with “part”
throughout this section*

Conceptually, the AnaCredit data model recognises three interconnected data entities (i.e. groups of data) related to a credit (e.g. a loan) which differ with regard to the data that need to be reported. These data entities are the instrument entity of the credit, the protection entity of the credit and the counterparty entity of the credit.

6.1.1 Concept of credit in the context of AnaCredit

15 Granular reporting to AnaCredit means that data are compiled and reported on the
16 basis of an individual credit, whereby three interrelated data entities (i.e. parts of
17 data on the credit) are distinguished.

18 In fact, the AnaCredit requirements are set out on the basis of an abstract model
19 which, at any given moment in time, represents a running credit instrument extended
20 on the basis of a contract.

21 Specifically, for the purpose of AnaCredit each instrument is assumed to be set up or
22 established on the basis of a contract (commonly referred to as a loan agreement).
23 This basis is reflected in Articles 1(22) and (23) of the AnaCredit Regulation, where
24 contract and instrument are defined. In fact, instruments are defined as specific
25 types of credit granted under a contract.

26 The abstract model underlying the AnaCredit data model has been chosen to
27 broadly reflect the general information describing credit transactions. Contracts (loan
28 or factoring agreements, for example) typically provide the terms and conditions
29 under which a creditor provides credit to a debtor, specifying for instance the amount

1		of the credit, the interest charged, the repayment schedule, the conditions of the
2		credit and the representations, warranties and covenants of each party, as well as
3		taking into account the possibility that the features may change from one moment to
4		the next.
5	<i>Revision mark: references to</i>	Generally, the AnaCredit reporting requirements involve only three data entities (i.e.
6	<i>"contract" are added to emphasise</i>	parts of data) which are deemed to be the main pillars of any credit granted under a
7	<i>that instruments are created by</i>	contract. These parts are:
		(a) the instrument (extended on the basis of a contract) that represents the
		individual credit;
		(b) the protection that secures the instrument;
		(c) the counterparties that are related to or otherwise affiliated with the
		instrument and the protection.
8		This means that AnaCredit requires granular information about contracts on an
9		instrument-by-instrument (commonly referred to as loan-by-loan) basis. Furthermore,
10		as each of the above-mentioned parts is characterised by a number of features, the
11		requirements of AnaCredit consist of a number of data attributes that capture certain
12		features of the specific parts of a credit arising under a contract (cf. Section 6.2.2 for
13		more details on data attributes). In fact, once a credit granted by a credit institution is
14		subject to reporting pursuant to the AnaCredit Regulation, 88 data attributes (i.e.
15		individual characteristics of the credit) are in principle required to be reported.
16	<i>Revision marks: further</i>	Although from an IT perspective a credit (loan) is merely broken down into the three
17	<i>clarifications are added in this</i>	interconnected data entities (instruments, protection items and counterparties), in
18	<i>paragraph</i>	general terms this concept of credit has fundamental implications for how real-life
19		credit is considered for the purpose of AnaCredit. More specifically, this concept of
20		credit implies that the instrument entity of a credit is kept separate from the
21		protection entity, which is of particular relevance for products that contain embedded
22		protection (cf. Example 25 below and Section 3.4.1 in Part II of the Manual regarding
23		the instrument type "reverse repurchase agreements"). Although these products are
24		not commonly referred to as secured loans, the different data to be reported to
25		AnaCredit are in fact, under this basic premise, broken down into an instrument
26		entity (i.e. a set of data attributes with the specific information on the instrument) and
27		a protection received "entity" (i.e. a set of data attributes with the specific information
28		on the protection received). Moreover, information about who is involved in the credit
29		is placed outside the instrument/protection bracket. Counterparties are explicitly
30		distinguished from one another and clearly identified in relation to the instrument or
31		the protection.

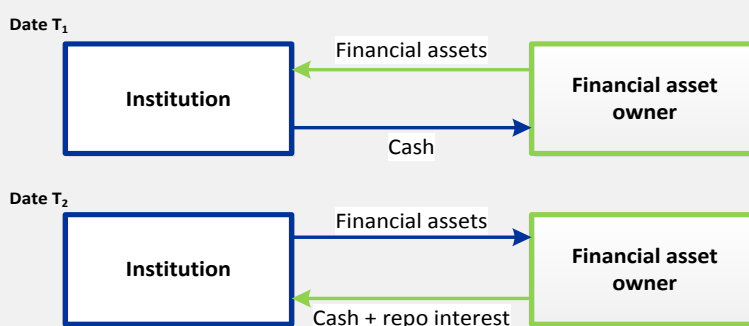
Example 25: Reverse repurchase agreements – perspective of the buyer

Reverse repurchase agreements (reverse repos) are transactions in which an institution lends cash in exchange for financial assets sold by the owner of the financial assets at a given price under a commitment by the owner of the financial assets to repurchase the same (or identical) assets at a fixed price on a specified future date.

Broadly speaking, a reverse repurchase agreement is a transaction concluded on the deal date between two parties, the institution and the owner of the financial assets, in which:

- the owner of the financial assets sells a specified financial asset to the institution at an agreed price on date T_1 ;
- the owner will repurchase the same (or identical) financial assets from the institution at a price agreed on the deal date on date T_2 (after T_1).

Reverse repurchase agreement for the institution buying financial assets



While the mechanics of a reverse repo involve selling and then repurchasing securities at a set price and a set time, at its financial essence, a reverse repo is in essence a collateralised loan.

Using this broader concept of credit, a reverse repo transaction is broken down into the three pillars – the instrument part, the protection part and the counterparty part. In this example, the instrument is the cash loaned out to the owner of the financial asset, while the financial asset, which in essence collateralises the instrument, is the protection item, and the counterparty part comprises the institution (the creditor) and the owner of the financial asset (the debtor), which by providing the financial asset as implicit protection to the creditor also functions as the protection provider.

Although a (reverse) repo transaction (where the financial asset is sold and later repurchased) is conceptually modelled in exactly the same way as a collateralised loan (where the financial asset is instead pledged as collateral for a loan), the two types of transaction can be clearly distinguished through the information contained in AnaCredit (more specifically, by the type of instrument).

1 In practice, the granular reporting of credit means that for each credit granted by
 2 credit institutions, AnaCredit broadly requires instrument, protection and
 3 debtor/creditor information. Please refer to Section 6.3 for more details on the data
 4 elements that are required.

5 Using data modelling terminology, a credit is modelled as a collection of data entities
 6 and relationships among data entities. In particular, the three parts of a credit are an
 7 information triple that characterises the credit.

Revision mark: this paragraph is expanded with further clarifications about “(data) entities”

In the conceptual data model of credit, the distinct parts into which the data are grouped on the basis of their nature are referred to as data “entities”. Consequently, a data entity is a group of data that is distinguishable from other groups of data relating to the credit. The three data entities of the AnaCredit data model are:

- (a) the instrument entity;
- (b) the protection entity;
- (c) the counterparty entity.

A brief description of these credit data entities is presented below. More details, including the data attributes, are provided in the subsequent sections and in Part II of the Manual.

6.1.2 Instrument

The instrument entity is at the heart of a credit. This data entity contains the information about the individual credit, i.e. individual commitments with unique terms under a credit agreement such as product type, maturity date, interest rate, etc. Instruments arise under a contract, and for each instrument there is always a debtor, a creditor and a servicer. Several instruments may be part of the same contract.

When defining a data model to capture instruments, it should be taken into account that there may be multiple debtors of the same instrument. This implies that such instruments theoretically function as the instrument entity in multiple triples (of instrument, protection and counterparty). The same instrument would therefore appear in several triples, with each instrument entity relating to a different debtor. This implies that part of (or all) of the information relating to the instrument provided in each entry could be specific to the participation of the debtor in that instrument and not common across debtors.¹⁸ Generally, the data model is designed so that there is no duplication of reportable information – part of the information would be common across the debtors (in the instrument dataset) and another part of it specific to the participation of the debtor (in the counterparty-instrument dataset). Please refer to Section 6.2 for details regarding how the information is effectively organised in the context of AnaCredit.

In the context of AnaCredit, instruments are reported gross of any protection securing the instrument.

¹⁸ Entry-specific information refers to the three positions in a triple set (instrument, protection item, counterparty) that describes a given credit transaction. This means that an instrument (or protection item or counterparty) may occupy the position of the instrument entity (or protection entity or counterparty entity) in multiple such triples referring to multiple credit transactions. However, there is just one record for each instrument, protection item and counterparty. This is because these records are the building blocks that may be combined via the identifiers to form an unlimited number of such triple sets. Ultimately, the data model is designed so that there is no duplication of reportable records.

6.1.3 Protection

- 1 If there is protection securing the instrument, this is captured in the separate
- 2 protection entity.
- 3 The protection entity contains the information about all protection items (i.e. valuable
- 4 assets or rights) that are committed to the fulfilment of the terms of an instrument
- 5 (i.e. that secure the payments under a credit transaction), as specified in the (credit)
- 6 contract that gives rise to the instrument. All protection items in the protection entity
- 7 have an instrument identifier such that the protection item can be linked to the
- 8 instrument it secures.
- 9 When defining the data model, the possibility that the same protection item may be
- 10 associated with several instruments is taken into account. This could imply that a
- 11 protection item appears in the protection entity multiple times in relation to different
- 12 instruments. The same protection item would therefore appear in several entries,
- 13 with the protection entity relating to a different instrument in each information triple
- 14 (of instrument, protection and counterparty). This nevertheless involves no repetition
- 15 of the protection information across different instruments (e.g. the allocated amount
- 16 specific to each instrument).
- 17 Protection always involves at least one counterparty – the protection provider. The
- 18 counterparty which grants the protection is identified and reported to AnaCredit (unless
- 19 it is a natural person). The counterparty is described in the counterparty entity.
- 20 In the context of AnaCredit, the protection value (and consequently also the allocated
- 21 protection value) is reported gross of any haircut (i.e. before any haircut is applied).

6.1.4 Counterparty

- 22 An instrument always involves counterparties. The counterparties are described in
- 23 the counterparty entity.
- 24 The counterparty entity contains information about counterparties related to the
- 25 instrument entity and, if relevant, to the protection entity. The counterparty entity also
- 26 contains information about certain counterparties affiliated with debtors and
- 27 protection providers of an instrument in the instrument entity.
- 28 In a similar way to the modelling of the instrument and protection entities, the
- 29 modelling of the counterparty entity takes into account the fact that the same
- 30 counterparty may relate to several instruments and protection items.
- 31 For the purpose of AnaCredit, all counterparties which take any of the following roles
- 32 are reflected in the counterparty entity:
- 33
 1. the creditor of the instrument;
 - 34 2. the originator of the instrument, if the instrument is a securitisation
 - 35 transaction;

3. the servicer of the instrument;
4. the debtor of the instrument;
5. the protection provider that provides protection to the instrument (if any protection item is provided);
6. the head office undertaking of (any foreign branch or a special fund¹⁹ that is) a debtor of the instrument or a protection provider that provides protection to the instrument;
7. the immediate parent undertaking of any debtor of the instrument, or of any protection provider that provides protection to the instrument;
8. the ultimate parent undertaking of any debtor of the instrument, or of any protection provider that provides protection to the instrument.

On any given date, a counterparty may assume one or more of these roles in relation to one or more instruments. Similarly, a single role may be assumed by many counterparties on any given date.

No natural persons in the counterparty entity

If a natural person is a counterparty in any of the eight roles mentioned above, then this natural person is not registered in the counterparty entity, i.e. the counterparty does not exist in the counterparty entity for AnaCredit purposes.²⁰

Revision mark: a further explanation is added about the treatment of natural persons under AnaCredit

6.1.5 Conceptual representation – the observed agent’s perspective

Revision mark: this paragraph is adjusted to align with the perspective taken in Chart 14

Given the distinct data entities of a credit and taking the perspective of an observed agent, AnaCredit’s conceptual representation of credit consists of a set of fact schemata that basically model facts, measures, dimensions, and hierarchies²¹ with reference to credit vis-à-vis the credit institution.

The AnaCredit conceptual data model establishes a broad view of what should be considered in the AnaCredit reporting, as the data model includes the distinct data entities and the relationships between them. However, the conceptual data model specifies neither data attributes nor primary keys. Yet, choosing a conceptual data model means that dimensions, measures and the granularity of data have been defined.

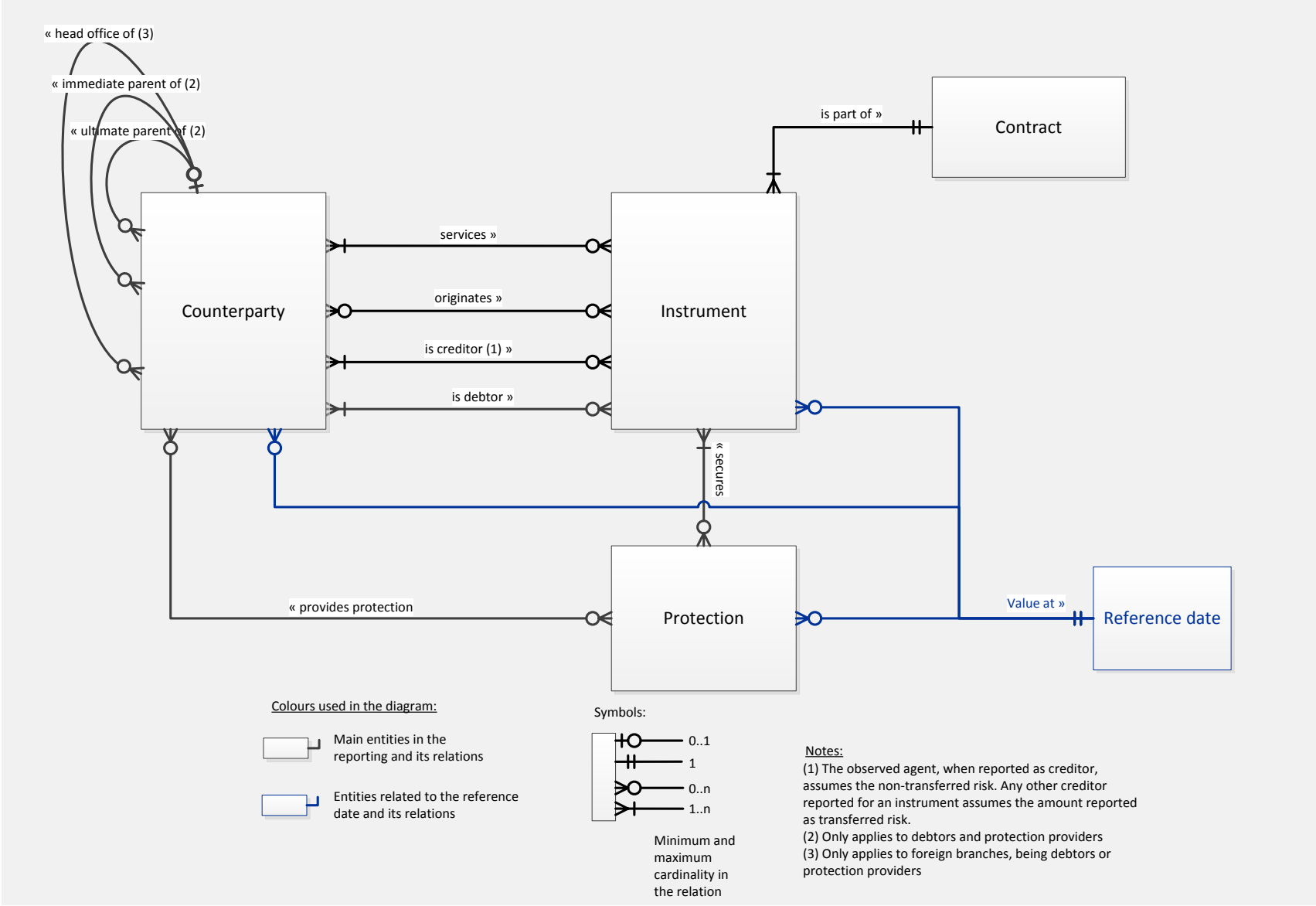
¹⁹ Please refer to Section 3.1 for details regarding special funds.

²⁰ Reporting agents may use the same counterparty entity for managing the instruments as for reporting to AnaCredit. In this case, the data on natural persons, although they are part of counterparty data of the reporting agents, are not reported to AnaCredit.

²¹ In data modelling theory a “fact” is a concept that models a set of events (e.g. credit held or serviced by a bank). In essence, a fact has dynamic properties or evolves in some way over time. A “measure” is a numerical property of a fact and describes a quantitative fact aspect that is relevant to analysis. For example, every credit is quantified at a given moment in time by its nominal outstanding amount. A “qualitative dimension” (or data attribute) is a fact property with a finite “domain” (i.e. a set of potential values) and describes an analysis coordinate of the fact. The dimensions for the credit fact are type of credit, currency, dates, etc. Finally, “hierarchy” determines how fact instances may be aggregated and selected, and determines the granularity adopted for representing facts.

- 1 The AnaCredit conceptual data model from the observed agent's perspective is
- 2 depicted in Chart 14. This means the observed agent is fixed and is not incorporated
- 3 into the chart.

Chart 14: AnaCredit conceptual data model – the observed agent’s perspective



- 1 On any given reporting reference date (e.g. month-end):
- 2 • the instrument entity;
- 3 • the protection entity;
- 4 • the counterparty entity
- 5 are distinguished for each and every credit held or serviced by an observed agent,
- 6 and there is a contract under which the instrument arises.
- 7 This means that on a given reporting reference date, a set of fact aspects referring to
- 8 the credit is distinguished for each data entity. For instance, there is always a
- 9 creditor, a debtor and a servicer related to the instrument, which may also be
- 10 secured by a protection item.
- 11 In more detail, and taking the perspective of an observed agent, the conceptual data
- 12 model implies that, for the purpose of AnaCredit reporting, the following applies on a
- 13 given reporting reference date:
- 14 • a (credit) contract gives rise to one or more instruments;
- 15 • an instrument is part of one contract;
- 16 • an instrument has one or more creditors;
- 17 • an instrument has one or more debtors;
- 18 • an instrument has one or more servicers;
- 19 • an instrument has zero (i.e. there are none), one or more originators;
- 20 • an instrument is secured by zero (i.e. it is unsecured), one or more protection
- 21 items;
- 22 • a protection item secures one or more instruments;
- 23 • a protection item is provided by one or more counterparties;
- 24 • a counterparty services zero (i.e. it is not a servicer of any), one or more
- 25 instruments;
- 26 • a counterparty originates zero (i.e. it is not an originator of any), one or more
- 27 instruments;
- 28 • a counterparty is a debtor of zero (i.e. it is not a debtor of any), one or more
- 29 instruments;
- 30 • a counterparty is a creditor of zero (i.e. it is not a creditor of any), one or more
- 31 instruments;
- 32 • a counterparty is a provider of zero (i.e. it is not a provider of any protection
- 33 item), one or more protection items;
- 34 • a counterparty is the head office undertaking of zero (i.e. it is not the head office
- 35 undertaking of any), one or more counterparties;
- 36 • a counterparty has zero (i.e. it does not have any) or one head office
- 37 undertaking;
- 38 • a counterparty is the immediate parent undertaking of zero (i.e. it is not the
- 39 immediate parent undertaking of any), one or more counterparties;
- 40 • a counterparty has zero (i.e. it does not have any) or one immediate parent
- 41 undertaking;
- 42 • a counterparty is the ultimate parent undertaking of zero (i.e. it is not the
- 43 ultimate parent undertaking of any), one or more counterparties;

- a counterparty has zero (i.e. it does not have any) or one ultimate parent undertaking.

As regards the number of occurrences of the same piece of information, the AnaCredit data model implies that on a given reporting reference date:

- (i) an instrument has a single set of values describing it;
- (ii) a protection item has a single set of values describing it;
- (iii) a counterparty has a single set of values describing it.

In addition, on a given reporting reference date an observed agent holds or services zero (i.e. it holds or services no instruments), one or more instruments.

The instrument entity is the centrepiece of the AnaCredit data model, which implies that if the observed agent does not hold or service any instruments that are reportable to AnaCredit then all the other data entities (i.e. the counterparty and protection entities) become irrelevant.

Importantly, the relationships between the data entities distinguished in the conceptual model are generally many-to-many.²²

This conceptual data model is used as the foundation for the AnaCredit logical data model.

6.2 Logical data model – the reporting agent’s perspective

Revision mark: this paragraph is enhanced with further clarifications

The logical data model contains more details than the AnaCredit conceptual data model. In particular, the logical data model:

- includes all entity tables (i.e. distinct parts in which the data are grouped on the basis of its nature) and relationships between them;
- specifies data attributes (i.e. individual characteristics that describe the facts recorded) for each data entity;
- specifies a primary key for each data entity (i.e. one or a combination of identifiers – identifying data attributes – that uniquely identifies a record in a data entity);
- specifies foreign keys (i.e. one or combination of identifiers – identifying data attributes – which allow the relationship between different data entities to be identified).

The logical data model also involves normalisation, which is the process of removing redundancy in an entity table. Normalisation typically occurs by dividing an entity table into two or more and defining relationships between the tables. Consequently,

²² A many-to-many relationship is a type of cardinality that refers to the relationship between two entities A and B in which A may contain one record related to several records in B and vice versa. For instance, an instrument is secured by many protection items and one protection item secures many instruments.

1 the AnaCredit logical data model comprises more explicit data entities than the
 2 conceptual data model. This is motivated by the replacement of any many-to-many
 3 relationships in the conceptual model with one-to-many relationships²³, which is
 4 achieved by introducing bridging tables.

5 The AnaCredit logical data model from the reporting agent's perspective is depicted
 6 in Chart 15 (as opposed to Chart 14 above, which shows the observed agent's
 7 perspective). This means that the observed agent is not fixed and is therefore
 8 incorporated into the entity relationship diagram.

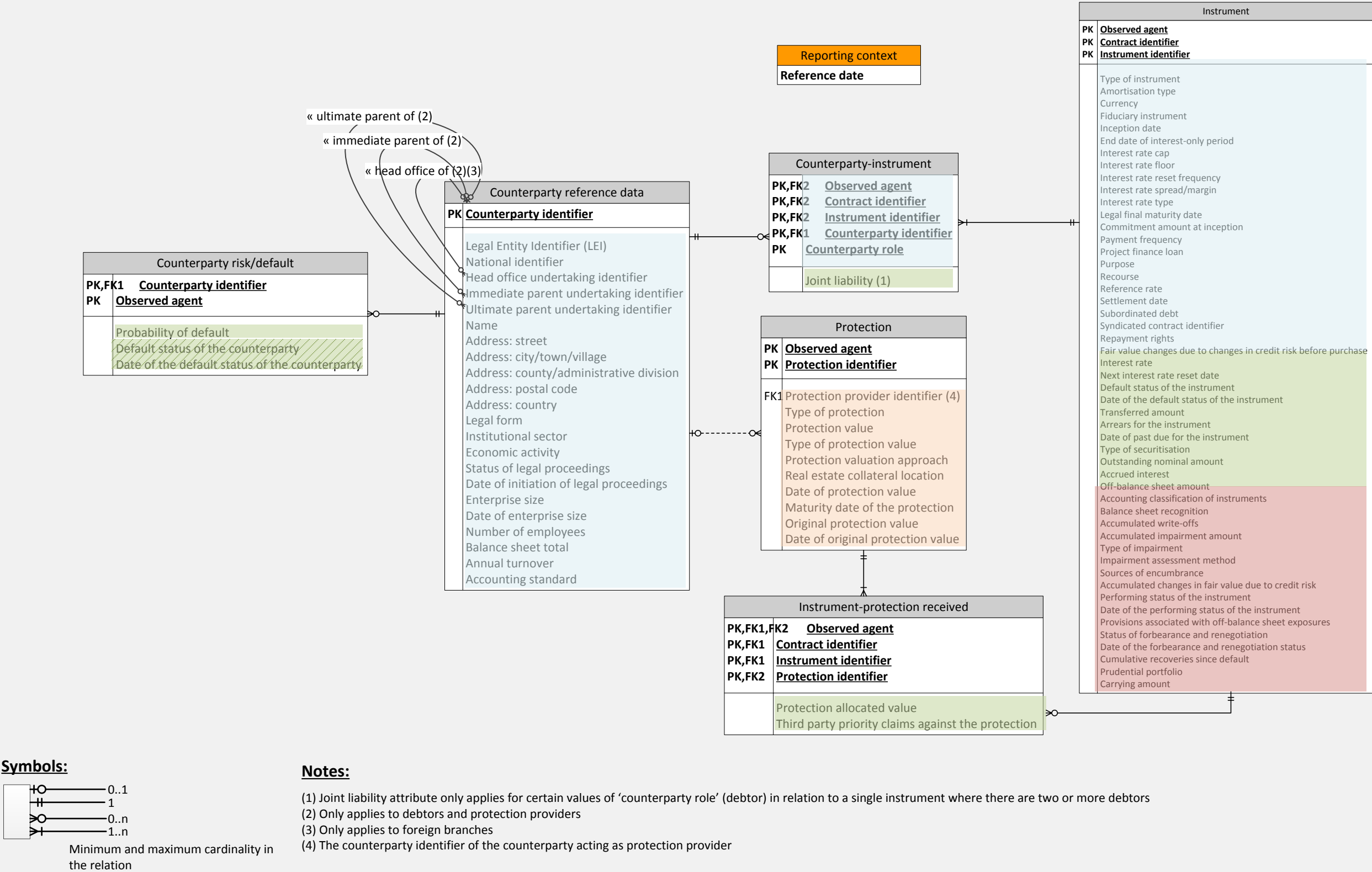
9 The reference date is fixed in the entity relationship diagram, meaning that all the
 10 data therein are valid as of the reference date.

11 The AnaCredit logical data model is presented from the reporting agent's perspective
 12 because of the requirement (Point 1.2 of Annex I of the AnaCredit Regulation) to
 13 uniquely identify the counterparty at the level of the reporting agent (see also the
 14 definition of the counterparty identifier in Annex IV of the AnaCredit Regulation).

²³ A one-to-many relationship exists when one instance in table A may be linked with many instances in table B, but one instance in table B is linked to only one instance in table A. It is important to note that a one-to-many relationship is not a property of the data, but rather of the relationship itself.

Chart 15: AnaCredit logical data model – the reporting agent’s perspective

This entity relationship diagram is presented from the reporting agent’s perspective for a fixed reference date (thus not shown in the chart).



Each entity table consists of one or more actual datasets – for instance, the instrument entity table consists of the instrument, financial and accounting datasets

The logical data model comprises six entity tables. As explained in Section 6.3, each of the entity tables comprises one or more actual datasets – for instance, the instrument entity table consists of the instrument, financial and accounting datasets. To start with, a distinction is made between:

1. the instrument entity table;
2. the protection entity table;
3. the instrument-protection received entity table.

The instrument-protection received entity table bridges the instrument entity table and the protection entity table, where the many-to-many relationships between the instrument and protection entities in the conceptual data model are modelled with a series of one-to-many relations.

The counterparty entity as referred to in the conceptual data model is also split into two tables in the logical data model, namely:

4. the counterparty reference data entity table;
5. the counterparty risk/default entity table.

Finally, the counterparty entity and the instrument entity of the conceptual data model are bridged by a series of one-to-many relationships, which is achieved by incorporating the following into the logical data model:

6. the counterparty-instrument entity table.

Each of the six entity tables consists of records. A record is an individual row in one table, uniquely identified by the data attributes marked as primary keys (PK).

The contract does not carry any data attributes that would describe the contract separately

In the logical data model, the contract (which is a separate data entity in the conceptual data model) is a primary key of the instrument and appears in all these entity tables wherever the instrument occurs. Any relevant contract information is captured at the level of the instrument, which is uniquely linked to a contract (for example, the date on which the contract became binding for all parties).

6.2.1 Identifiers used across the entity tables

Revision mark: further clarifications are added to this paragraph

In addition to the data attributes (that record features of the three data entities of credit), each entity table includes a number of internal identifiers. These identifiers are a key part of the data model and have no meaning outside of AnaCredit. They ensure that each record or entry can be (uniquely) identified by one or a combination of identifiers in an entity table. They help to maintain data integrity and to identify the relationship between the datasets. These internal identifiers are:

1. observed agent identifier;

- 1 2. counterparty identifier;
- 2 3. contract identifier;
- 3 4. instrument identifier;
- 4 5. protection identifier;
- 5 6. protection provider identifier;
- 6 7. reporting agent identifier, which is redundant from the observed and
- 7 reporting agents' perspectives.

6.2.1.1 Primary key for each entity table

8 *Revision mark: further*
 9 *explanations regarding primary*
 10 *keys are added in this section*

The logical data model specifies the primary key (abbreviated as PK in Chart 15) for each entity table.

The primary key is a combination of one or more identifiers that uniquely identifies one occurrence in an entity table. The primary key is a combination of the identifiers listed in Section 6.2.1.

From the reporting agent's perspective, the following combinations of identifiers are the primary key of the different entity tables:

1. instrument entity table:

- observed agent identifier;
- contract identifier;
- instrument identifier.

2. instrument-protection received entity table:

- observed agent identifier;
- contract identifier;
- instrument identifier;
- protection identifier.

3. protection received entity table:²⁴

²⁴ Please note that unless protection is granted by a natural person, each protection item reported in the protection received entity table should be reported along with the protection provider identifier. However, the protection provider identifier does not account for the primary key. Moreover, any protection item is only reported once in the protection received entity, although some protection items may be actually provided by several protection providers (for example, joint guarantors).

1		observed agent identifier;
2		protection identifier.
3		4. counterparty-instrument entity table:
4		observed agent identifier;
5		contract identifier;
6		instrument identifier;
7		counterparty identifier;
8		counterparty role.
9		5. counterparty risk/default entity table:
10		observed agent identifier;
11		counterparty identifier.
12		6. counterparty reference data entity table:
13		counterparty identifier.
14		
15	Ultimately, the counterparty will be	Please note that from the reporting agent's perspective, the counterparty reference
16	uniquely identified at European	data entity table is uniquely identified by the counterparty identifier. This is because
17	level, and this unique identifier will	the counterparty identifier is uniquely assigned to a counterparty at the level of the
18	be used in AnaCredit	observed agent's legal entity (i.e. the credit institution).
19		
20		Please note that the counterparty will ultimately be uniquely identified at European
21		level, and this unique identifier will be used in AnaCredit. This unique identification at
22		European level cannot be the sole responsibility of a reporting agent and will be
23		primarily carried out by the NCBs. Some countries have an existing Central Credit
24		Register and a process for identifying counterparties already in place. This implies
25		the existence of a unique counterparty identifier at national level (cf. Section 12.4.1
		in Part II of the Manual).
		The primary keys (abbreviated as PK) for each entity table are specified in Chart 15:
		AnaCredit logical data model – the reporting agent's perspective in Section 6.2 (and
		in Chart 16: AnaCredit logical data model and reportable datasets – the reporting
		agent's perspective in Section 6.3).

Example 26: Counterparty identifier unique for the reporting agent

The reporting agent RA0 (a credit institution) reports for its two observed agents: RA0_OA1 (the domestic part of the credit institution) and RA0_OA2 (a foreign branch of the credit institution).

The observed agent RA0_OA1 holds an instrument in which client C is a debtor. The observed agent RA0_OA1 uses the counterparty identifier *Client_123* to uniquely identify client C.

Similarly, the observed agent RA0_OA2 holds two instruments in which client C is a debtor. However, the observed agent RA0_OA2 uses the counterparty identifier *Cpty_9867* to uniquely identify client C.

The reporting agent RA0 recognises that the counterparty identifiers *Client_123* used by the observed agent RA0_OA1 and the counterparty identifier *Cpty_9867* used by the observed agent RA0_OA2 both refer to the same client C.

Subsequently, to comply with the primary key definition of the counterparty reference data entity table, the reporting agent RA0 assigns a unique counterparty identifier *Client_123_Cpty_9867* to Client C and uses this counterparty identifier to substitute the different counterparty identifiers used in relation to the same client C in all the respective entity tables of the two observed agents.

6.2.1.2 Foreign keys for each entity table

1 Foreign keys identify the relationships between the different entities. In particular, a
2 foreign key is one or more identifiers in one entity table that uniquely identifies a row
3 of another entity table. In other words, a foreign key is defined in the second entity
4 table but refers to the primary key in the first table.

5 For example, the combination (observed agent identifier, contract identifier,
6 instrument identifier) is a foreign key in the instrument-protection received entity
7 table that refers to the primary key in the instrument entity table. The combination
8 (observed agent identifier, protection identifier) in the instrument-protection received
9 entity table refers to the primary key in the protection entity table.

10 The foreign keys for each entity table are specified in Chart 15: AnaCredit logical
11 data model – the reporting agent's perspective at the beginning of Section 6.2 (and
12 in Chart 16: AnaCredit logical data model and reportable datasets – the reporting
13 agent's perspective in Section 6.3), where they are abbreviated as FK in the
14 respective entity tables.

6.2.2 Entity tables of the logical data model

15 The logical data model specifies data attributes for each entity table. A data attribute
16 is an individual characteristic to be collected and registered in a given entity table
17 (field/column).

18 *Revision mark: editorial*
19 *adjustments are made to this*
paragraph The data entity tables as referred to in the logical data model differ from the actual
AnaCredit reportable datasets. The difference arises when certain data attributes of

a data entity are required for different frequencies or reporting methods (for example, some data attributes are reported monthly, while others are reported quarterly). Please refer to section 6.3 for more details. To achieve a high level of consistency and data quality, all the data attributes are required to be compiled taking the following principles into account:

- all the data attributes are valid as of the same date.

On any given reference date, a data attribute represents a specific feature that is valid or regarded as valid as of that reference date. All data attributes are valid as of the same reference date – i.e. they represent specific features at the same moment in time.

- all the data attributes of the same table are defined on the same level of granularity.

All data attributes in the same entity table relate to the same element and are defined on the same level of granularity (i.e. the level corresponding to a single row in a given entity table).

The data attributes to be compiled and collected in each entity table are listed below. The definitions of the fields are provided in Part II of this Manual.

6.2.2.1 The instrument entity table

6.2.2.1.1 Definition of the instrument entity table

The instrument entity table is the centrepiece of the data model. This means that all other entity tables relate directly or indirectly to the instrument entity table. The instrument entity table collects specific information that describes the instrument, such as the basic features of the instrument, the financial aspects of the instrument and the accounting features of the instrument.

6.2.2.1.2 Description

The data in the instrument entity table describe both features of the instrument which change rarely over time and features which reflect the instrument's financial development in accordance with the relevant accounting standard. Such features are captured via respective data attributes which are required to describe the instrument as of the same reference date. This means that any information collected is accurate as of a given reference date. Any relevant dependencies between the data attributes are also reflected accordingly.

Example 27 provides a representation of certain features of an instrument (a loan) over time, with a focus on the relationship between the features.

Example 27: Selected information in the instrument entity table

A loan (credit) is represented by an instrument. The outstanding amount of the loan is €10,000.

The instrument becomes non-performing as of 16 September. As of 20 October, the loan is fully provisioned (i.e. an impairment loss is recognised), and as of 26 November the loan is written-off.

The following table provides an overview of the selected features of the instrument and how they evolve over time, taking into account the mutual dependencies between the features, and following the events prescribed (leaving aside the fact that the data attributes “accumulated impairment amount”, “performing status of the instrument” and “accumulated write-offs” are not required for non-quarter-end dates).

Date	Instrument ID	Outstanding nominal amount	Accumulated impairment amount	Performing status of the instrument	Accumulated write-offs
31/08/2019	Instrument 1	10,000.00	0.00	Performing	0.00
30/09/2019	Instrument 1	10,000.00	0.00	Non-performing	0.00
31/10/2019	Instrument 1	10,000.00	10,000.00	Non-performing	0.00
30/11/2019	Instrument 1	0.00	0.00	Non-performing	10,000.00

Notably, the write-off in November results in:

- the outstanding nominal amount being reduced to €0, as following the accounting rules the write-off leads to the derecognition of the loan from the balance sheet;
- the accumulated impairment amount being reduced to €0, as this amount corresponds exactly to the outstanding debt of the loan.

Please note that this example only illustrates the logic within the instrument entity table. It does not indicate what and at which point in time is actually reported to AnaCredit.

1 More details on how the attributes interrelate with one another are provided in the
2 respective sections of Part II of this Manual, where the data attributes are specifically
3 discussed.

6.2.2.1.3 Record

4 For each instrument identified and registered in the respective datasets, the instrument
5 entity table contains a record, i.e. a single set of data, describing the instrument. The
6 information is provided for all instruments that are required to be reported. The criteria
7 triggering the reporting of instruments are presented in Section 5.

6.2.2.1.4 The level of granularity

8 *Revision mark: an explanation is*
9 *added that the identification is done*
10 *by the primary key*

The level of granularity for the instrument is the instrument itself. This means that the attributes are defined at the instrument level vis-à-vis the observed agent. Each record is uniquely identified in the instrument entity table by its primary key, i.e. a combination of the following data attributes (cf. AnaCredit Regulation, Template 1, “Instrument data” and “Financial data”; Template 2, “Accounting data”):

- 1 • reporting agent identifier;
- 2 • observed agent identifier;
- 3 • contract identifier;
- 4 • instrument identifier.

6.2.2.1.5 Relationships of the entity table

5 *Revision mark: the examples in*
 6 *this section are reformatted and*
 7 *given a caption*

The instrument entity table is related to:

- the counterparty-instrument entity table;
- the instrument-protection received entity table.

8 Instruments registered in the
 9 instrument entity table should be
 registered in the
 counterparty-instrument entity table

Any instrument registered in the instrument entity table is registered in the counterparty-instrument entity table.

There is a relationship between the instrument entity table and the counterparty-instrument entity table:

- One record in the instrument entity table links with at least three records in the counterparty-instrument table (where it is registered along with the counterparties assuming the roles of creditor, debtor and servicer).
- One record in the counterparty-instrument entity table links with one record in the instrument entity table.

Example 28: Relationships between counterparties and instruments

One counterparty may act as both creditor and servicer, while a different counterparty acts as debtor. In this case, there are still three records (for the creditor, servicer and debtor) in the counterparty-instrument entity table, all linked to the same instrument.

Conversely, several different counterparties may be linked with a single instrument if there are, for instance, several debtors in relation to a single instrument. Each of these relationships requires a separate record in the counterparty-instrument entity table.

Any instrument registered in the instrument-protection received entity table is registered in the instrument entity table.

There is a relationship between the instrument entity table and the instrument-protection received entity table:

- 1
 - 2
 - 3
 - 4
 - 5
- One record in the instrument entity table links with zero, one or more records in the instrument-protection received entity table (one record for each protection item securing the instrument).
 - One record in the instrument-protection received entity table links with one record in the instrument entity table.

Example 29: Relationships between instruments and protection

If an instrument is unsecured, there is no record for this instrument in the instrument-protection received entity table.

Conversely, if an instrument is secured by several different protection items, there are as many records for this instrument in the instrument-protection received entity table as there are protection items securing the instrument.

6.2.2.1.6 Data attributes

The instrument entity table comprises the following data attributes:

Identifying data attributes

- 6
 - 7
 - 8
 - 9
- Reporting agent identifier
 - Observed agent identifier
 - Contract identifier
 - Instrument identifier

Other data attributes

Instrument data (dataset 2 in the AnaCredit Regulation)

1. Type of instrument
2. Amortisation type
3. Currency
4. Fiduciary instrument
5. Inception date
6. End date of interest-only period
7. Interest rate cap
8. Interest rate floor
9. Interest rate reset frequency
10. Interest rate spread/margin
11. Interest rate type
12. Legal final maturity date
13. Commitment amount at inception
14. Payment frequency
15. Project finance loan

16. Purpose
17. Recourse
18. Reference rate
19. Settlement date
20. Subordinated debt
21. Syndicated contract identifier
22. Repayment rights
23. Fair value changes due to changes in credit risk before purchase

Financial data (dataset 3 in the AnaCredit Regulation)

24. Interest rate
25. Next interest rate reset date
26. Default status of the instrument
27. Date of the default status of the instrument
28. Transferred amount
29. Arrears for the instrument
30. Date of past due for the instrument
31. Type of securitisation
32. Outstanding nominal amount
33. Accrued interest
34. Off-balance-sheet amount

Accounting data (dataset 6 in the AnaCredit Regulation)

35. Accounting classification of instruments
36. Balance sheet recognition
37. Accumulated write-offs
38. Accumulated impairment amount
39. Type of impairment
40. Impairment assessment method
41. Sources of encumbrance
42. Accumulated changes in fair value due to credit risk
43. Performing status of the instrument
44. Date of the performing status of the instrument
45. Provisions associated with off-balance-sheet exposures
46. Status of forbearance and renegotiation
47. Date of the forbearance and renegotiation status
48. Cumulative recoveries since default
49. Prudential portfolio

50. Carrying amount

6.2.2.1.7 Instrument dataset

1 The instrument entity table comprises dataset 2 (instrument data) and dataset 3
 2 (financial data) in Template 1, plus dataset 6 (accounting data) in Template 2 of
 3 Annex I to the AnaCredit Regulation.

6.2.2.2 The counterparty-instrument entity table

6.2.2.2.1 Definition of the counterparty-instrument entity table

4 The counterparty-instrument entity table is the set of all combinations of instruments
 5 reported pursuant to Articles 4 and 5 within the scope of the reporting agent and
 6 related counterparties which assume any of the roles of creditor, servicer, debtor
 7 and, if applicable, originator vis-à-vis the instrument.

6.2.2.2.2 Description

8 The relationships between counterparties to the instrument are registered in the
 9 counterparty-instrument entity table, which includes the counterparties directly
 10 involved in the instrument and their respective roles vis-à-vis the instrument.

11 Specifically, the entity table registers all (non-natural person) counterparties which
 12 take the role of:

- 13 • debtor of the instrument;
- 14 • creditor of the instrument;
- 15 • servicer of the instrument.

16 Under certain circumstances, registration also includes counterparties which take the
 17 role of:

- 18 • originator to the instrument (if the instrument is a securitisation transaction)

19 *Joint liability amount only for
 20 counterparties acting as debtors*

21 The counterparty-instrument entity table supports the registration of the joint liability
 22 amount. The joint liability amount is only applicable for debtors, i.e. counterparties in
 23 the counterparty-instrument entity table whose counterparty role is debtor.

24 *Plurality of debtors means that two
 25 or more counterparties which are
 liable for the same debt are (a) fully
 or (b) partially liable. Counterparties
 are fully or partially liable the same
 instrument under the same contract
 when they unite in making
 repayments in respect of the
 instrument*

26 The counterparty-instrument entity table also supports the registration of debtors in
 27 the case of a plurality of debtors, whereby multi-debtor instruments are registered
 28 together with the information on the liability of each debtor in respect of an
 29 instrument.

In particular, instruments relating to multiple debtors generally appear multiple times in the counterparty-instrument entity table. Therefore, there is generally a repetition of the instrument identifier and debtor counterparty role, associated with different counterparties, for as many different debtors as the instrument possesses. The joint liability information is provided individually for each record, and is never aggregated across debtors.

All counterparties registered in the counterparty-instrument entity table are also registered in the counterparty reference data entity table.

No records are made in the counterparty-instrument entity table for a given instrument if all the counterparties to the instrument are natural persons.

Example 30 illustrates the contents of the counterparty-instrument entity table in the case of an instrument granted to both a legal entity and a natural person, where both debtors are partially liable.

Example 30: Instrument granted to a legal entity and a natural person (partial liability)

As of 30 September, the reporting agent *RA_1* reports data of the observed agent *RA1_OA1* following the logical data model.

The counterparty *Legal entity A* and the counterparty *Natural person* are both partially liable for the instrument *Instrument_A_1* registered in the instrument entity table. Both counterparties are partially (and equally) liable for making repayments of *Instrument_A_1*, i.e. each of them is liable for 50% of the instrument. The outstanding nominal amount registered in the instrument entity table is €100,000. The partial liability of each counterparty is 50%.

Date	Instrument ID	Outstanding nominal amount
30/09/2019	Instrument_A_1	100,000.00

Regarding the counterparty-instrument entity table, the following is registered:

Date	Instrument ID	Counterparty ID	Counterparty role	Joint liability amount
30/09/2019	Instrument_A_1	Legal entity A	Debtor	50,000.00
30/09/2019	Instrument_A_1	RA1_OA1	Creditor	n/a
30/09/2019	Instrument_A_1	RA1_OA1	Servicer	n/a

In this case, only the counterparty *Legal entity A* is registered in the counterparty-instrument entity with its role as debtor and the corresponding liability amount of €50,000.

No entry at all is made for the other debtor – counterparty *Natural person* – in the counterparty-instrument entity table.

By contrast, Example 31 illustrates the contents of the counterparty-instrument entity table in the case of an instrument granted to two legal entities, where both debtors are fully liable (i.e. each debtor is liable for 100% of the outstanding debt).

Example 31: Instrument granted to two legal entities, both fully liable for the outstanding debt

As of 30 September, the reporting agent *RA_1* reports data of the observed agent *RA1_OA1* following the logical data model.

The counterparty *Legal entity A* and the counterparty *Legal entity B* are both fully liable for the instrument *Instrument_A_1*, registered in the instrument entity table. In other words, each counterparty is liable for the total debt outstanding under the instrument – as of 30 September the outstanding debt amounts to €100,000. The full liability of each counterparty is 100%.

Date	Instrument ID	Outstanding nominal amount
30/09/2019	Instrument_A_1	100,000.00

In the counterparty-instrument entity table, the following data are registered:

Date	Instrument ID	Counterparty ID	Counterparty role	Joint liability amount
30/09/2019	Instrument_A_1	Legal entity A	Debtor	100,000.00
30/09/2019	Instrument_A_1	Legal entity B	Debtor	100,000.00
30/09/2019	Instrument_A_1	RA1_OA1	Servicer	n/a
30/09/2019	Instrument_A_1	RA1_OA1	Creditor	n/a

In this case, both the counterparty *Legal entity A* and the counterparty *Legal entity B* are registered in the counterparty-instrument entity with their roles as (co-)debtor and the corresponding liability amount of €100,000 each.

- 1 All counterparties that are registered in the counterparty-instrument entity table and
2 marked as debtors are also registered in the counterparty risk/default entity table.²⁵

6.2.2.2.3 Record

- 3 For any instrument identified and registered in the instrument entity table, there are
4 as many records in the counterparty-instrument entity table as there are
5 counterparties assuming any of the roles of creditor, debtor, servicer or originator of
6 that instrument, double- (or triple-) counting any counterparties that assume two (or
7 more) roles (i.e. if a counterparty acts as both creditor and servicer, there are still two
8 records relating to this counterparty in the counterparty-instrument entity table) but
9 excluding all counterparties that are natural persons.

- 10 Conversely, the counterparty-instrument entity table comprises records of those
11 counterparties which a) assume any of the roles of creditor, servicer, debtor and the
12 originator in relation to any reported instrument and b) are not natural persons,
13 taking into account the requirement that a counterparty cannot appear multiple times
14 in the same role in relation to one instrument.

²⁵ Note that the counterparty risk/default entity table comprises also counterparties other than debtors, cf. section 6.2.2.5.

6.2.2.2.4 The level of granularity

Revision mark: further explanations regarding the primary keys are added in this paragraph

The level of granularity for the counterparty-instrument entity table is the combination of the counterparty, the counterparty role and the instrument. Each record is uniquely identified in the counterparty-instrument entity table by its primary key, i.e. a combination of the following data attributes (cf. AnaCredit Regulation, Template 1, “Counterparty-instrument data”):

- reporting agent identifier;
- observed agent identifier;
- counterparty identifier;
- contract identifier;
- instrument identifier;
- counterparty role.

6.2.2.2.5 Relationships of the entity table

Revision mark: the examples in this section are reformatted and given a caption

The counterparty-instrument entity table is related to:

- the counterparty entity table;
- the instrument entity table.

Instruments and counterparties registered in the counterparty-instrument entity table should be registered, respectively, in the instrument entity table and the counterparty reference data entity table

Any instrument registered in the counterparty-instrument entity table is registered in the instrument entity table, and every counterparty in the counterparty-instrument entity table is registered in the counterparty reference data entity table.

There is a relationship between the counterparty-instrument entity table and the counterparty entity table:

- One record in the counterparty reference data entity table links with zero, one or more records in the counterparty-instrument entity table.
- One record in the counterparty-instrument entity table links with one record in the counterparty reference data entity table.

Example 32: Relationships between counterparties to instruments and the counterparty entity

A counterparty which acts as both creditor and servicer of the same instrument is recorded in the counterparty-instrument entity table in two different records. This means that two records also link with this counterparty in the counterparty reference data entity table.

A counterparty (a protection provider) may grant protection securing an instrument without assuming any of the roles of creditor, servicer, debtor or originator in relation to the instrument. In this case, the protection provider is not reported in the counterparty-instrument entity table. However, every protection provider which is not a natural person is registered in the counterparty reference data entity table.

There is a relationship between the counterparty-instrument entity table and the instrument entity table:

- 1 • One record in the counterparty-instrument entity table links with exactly one
- 2 record in the instrument entity table.
- 3 • One record in the instrument entity table links with as many records in the
- 4 counterparty-instrument table as there are counterparties assuming any of the
- 5 roles of debtor, creditor, servicer, or originator to this instrument, double- (or
- 6 triple-) counting counterparties that assume multiple roles (e.g., creditor and
- 7 servicer) but excluding all counterparties that are natural persons. There are a
- 8 minimum of three records in the counterparty-instrument entity table for every
- 9 instrument detailing its relationships with creditor, servicer and debtor, none of
- 10 which may be a natural person. Please note that if all debtors are natural
- 11 persons the instrument is not subject to reporting requirements pursuant to
- 12 Articles 4 and 5 of the AnaCredit Regulation.

Example 33: Relationships between counterparties to instruments and instruments

If one instrument links with no more than two counterparties (one assuming the roles of creditor and servicer, the other assuming the role of debtor), then there are three different records in the counterparty-instrument entity table.

Conversely, there may be many debtors (other than natural persons) of a single instrument, each of them requiring a separate record in the counterparty-instrument entity table. The total number of possible records in the counterparty-instrument entity table relating to a single instrument is thus driven by the number of different counterparties involved in the instrument in any of the following roles: creditor, servicer, debtor or originator.

- 13 The following example illustrates the above set of relationships between instruments
- 14 and counterparties.

Example 34: Relationships between the counterparty and the instrument

For a given credit, represented by an instrument, there is always at least one debtor of the instrument. The debtor is registered in the counterparty-instrument entity table and is associated with the debtor counterparty role therein.

Any counterparty (other than a natural person) registered in the counterparty-instrument entity table is registered in the counterparty reference data entity table. In particular, for any debtor of an instrument the relevant debtor information (name, address, etc.) is registered in the counterparty reference data entity table.

In the case of natural persons involved in instruments, for AnaCredit purposes, no entry is made in the counterparty-instrument entity table and consequently no record appears in the counterparty reference data entity table.

A number of distinct counterparties registered in the counterparty reference data entity table may be debtors of several distinct instruments or just one instrument (i.e. in the case of joint debtors) registered in the instrument entity table.

If an instrument relates to multiple (non-natural person) debtors then this instrument is registered in the counterparty-instrument entity table multiple times. There is therefore a repetition of the instrument identifier and other instrument information in multiple separate entries with different debtor identifiers.

Some counterparties registered in the counterparty reference data entity table may not be directly linked with any instrument registered in the instrument entity table. Specifically, a counterparty that is a protection provider (e.g. a guarantor) is not linked to any instrument in the counterparty-instrument entity table. Similarly, the head office undertaking of a counterparty that is a debtor of an instrument may not be directly linked to any instrument in the instrument entity table. Therefore, no such counterparty is registered in the counterparty-instrument entity table.

6.2.2.2.6 Data attributes

The counterparty-instrument entity table comprises the following data attributes:

Identifying data attributes:

- | | |
|---|------------------------------|
| 1 | • reporting agent identifier |
| 2 | • observed agent identifier |
| 3 | • counterparty identifier |
| 4 | • contract identifier |
| 5 | • instrument identifier |

Other data attributes:

Counterparty-instrument data (dataset 4 in the AnaCredit Regulation)

51. Counterparty role

Joint liabilities data (dataset 5 in the AnaCredit Regulation)

52. Joint liability amount

6.2.2.2.7 Counterparty-instrument dataset

1 The counterparty-instrument entity table comprises dataset 4 (counterparty-
2 instrument data) and dataset 5 (joint liabilities data) in Template 1 of Annex I to the
3 AnaCredit Regulation.

6.2.2.3 The instrument-protection received entity table

6.2.2.3.1 Definition of the instrument-protection received entity table

4 The instrument-protection received entity table is the set of all combinations of
5 instruments reported pursuant to Articles 4 and 5 of the AnaCredit Regulation within
6 the scope of the reporting agent and the related protection items which secure the
7 instrument. It follows that, while all protection items in the protection received entity
8 table secure at least one instrument in the instrument entity table and hence appear
9 in the instrument-protection received entity table, instruments which are unsecured
10 do not appear in the instrument-protection received entity table.

6.2.2.3.2 Description

11 Instruments that are secured by protection are registered in the instrument-protection
12 received entity table, along with data on the extent to which the given protection item
13 secures the instrument.

14 *All received protection should be registered and allocated, not just
15 protection that is eligible for the
16 calculation of credit risk weighted
assets pursuant to the CRR* All protection items received are registered (and allocated) in the
instrument-protection received entity table, regardless of whether or not the
protection is eligible for credit risk mitigation pursuant to the CRR.

17 *The gross protection value is
18 required to be registered in the
19 protection received entity table,
before applying any (regulatory)
haircuts* Any protection registered in the instrument-protection received entity table is also
registered in the protection received entity table, where the protection is registered at
a gross protection value, i.e. before applying any (regulatory) haircuts.

20 *Revision mark: emphasis is given
21 to the registration of all protection
22 items, even those provided by
natural persons* The instrument-protection received entity table contains information about all
protection items that are committed, under the (credit) contract, to fulfilment of the
terms of an instrument registered in the instrument entity table, including those
23 where the protection provider is a natural person. All protection items in the
24 instrument-protection received entity table are connected to the instrument that they
25 secure via the instrument identifier of the instrument that they secure.

26 If a protection item is used to secure several instruments, the protection identifier of
27 this protection item is registered in the instrument-protection received entity table
28 multiple times. This means that the protection identifier is repeated across records
29 for each instrument identifier of the instruments that are secured by this protection
30 item. However, the allocated amount (protection allocated value) is specific to the
31 instrument. In addition, on any given reference date, the sum of the protection

allocated values across all the instruments that the protection secures should in general not exceed the protection value registered in the protection entity table.

Conversely, if an instrument is secured by several protection items, the instrument identifier of the instrument is registered in the instrument-protection received entity table multiple times. This means that the instrument identifier is repeated across records for each protection identifier of the protection items that secure this instrument.

6.2.2.3.3 Record

For each instrument identified and registered in the respective datasets, there are as many records in the instrument-protection received entity table as there are protection items securing the instrument. In particular, if an instrument is not secured by any protection item, then the unsecured instrument is not registered in the instrument-protection received entity table.

6.2.2.3.4 The level of granularity

Revision mark: further explanations regarding the primary keys are added in this paragraph

The level of granularity for the instrument-protection received entity table is the combination of the instrument and the protection item. Each record is uniquely identified in the instrument-protection received entity table by its primary key, i.e. a combination of the following data attributes (cf. AnaCredit Regulation, Template 2, “Instrument-protection received data”):

- reporting agent identifier;
- observed agent identifier;
- contract identifier;
- instrument identifier;
- protection identifier.

6.2.2.3.5 Relationships of the entity table

Revision mark: the examples in this section are reformatted and given a caption

The instrument-protection received entity table is related to:

- the instrument entity table;
- the protection received entity table.

One record in the instrument-protection received entity table links with exactly one record in the instrument entity table and one record in the protection received entity table

Any instrument registered in the instrument-protection received entity table is registered in the instrument entity table, and every protection item registered in the instrument-protection received entity table is registered in the protection received entity table.

There is a relationship between the instrument-protection received entity table and the instrument entity table:

- 1 • One record in the instrument entity table links with zero, one or more records in
- 2 the instrument-protection received entity table (one record for each protection
- 3 item securing the instrument).
- 4 • One record in the instrument-protection received entity table links with one
- 5 record in the instrument entity table.

Example 35: Relationships between instrument-protection and the instrument

If an instrument is unsecured, there is no record for this instrument in the instrument-protection received entity table.

Conversely, if an instrument is secured by many different protection items, there are as many records for this instrument in the instrument-protection received entity table as there are protection items securing the instrument.

6 There is a relationship between the instrument-protection received entity table and
7 the protection received entity table:

- 8 • One record in the protection received entity table links with at least one record
- 9 in the instrument-protection received entity table (one record for each
- 10 instrument secured by the protection item).
- 11 • One record in the instrument-protection received entity table links with exactly
- 12 one record in the protection received entity table – see also Section 6.2.2.4.4.

Example 36: Relationships between instrument-protection and the protection

For every protection item in the protection received entity table there is at least one record in the instrument-protection received entity table.

Conversely, if a protection item secures many different instruments, there are as many records for this protection item in the instrument-protection received entity table as there are instruments secured by the protection item.

6.2.2.3.6 Data attributes

13 The instrument-protection received entity table comprises the following data
14 attributes:

Identifying data attributes:

- 15 • Reporting agent identifier
- 16 • Observed agent identifier
- 17 • Contract identifier
- 18 • Instrument identifier
- 19 • Protection identifier

Other data attributes

Instrument-protection received data (dataset 8 in the AnaCredit Regulation)

53. Protection allocated value

54. Third party priority claims against the protection

6.2.2.3.7 Instrument-protection received dataset

1 The instrument-protection received entity table corresponds to dataset 8 (instrument-
2 protection received data) in Template 2 of Annex I to the AnaCredit Regulation.

6.2.2.4 The protection received entity table

6.2.2.4.1 Definition of the protection received entity table

3 The protection received entity table is the set of all protection items that are used to
4 secure any of the instruments reported pursuant to Articles 4 and 5 of the AnaCredit
5 Regulation within the scope of the reporting agent.

6.2.2.4.2 Description

6 The specific features of any protection item registered in the instrument-protection
7 received entity table, such as the type of protection or the identification of the
8 protection provider, are registered in the protection received entity table.

9 The specific features registered in the protection received entity table are the
10 following.

11 *Revision mark: emphasis is added* For a given reporting agent, each protection item is always uniquely identified at the
12 *that protection is uniquely identified* level of the reporting agent – i.e. if the same protection item secures instruments
13 *at the level of reporting agent* held by several observed agents of one reporting agent, the protection identifier used
14 by the different observed agents is the same (cf. Section 2.2.6 in Part II of the
15 Manual).

16 *A protection provider is registered* A protection provider is always reported in the protection received entity table, unless
17 *for each protection item in the* the protection provider is a natural person, in which case reporting of the protection
18 *protection entity table* provider identifier does not apply (cf. Section 2.2.7 in Part II of the Manual).
19 *Revision mark: updated in line with*

20 *Protection provided by a natural* Please note that although the protection provider identifier is not required where
21 *person is required to be reported.* protection providers are natural persons for AnaCredit purposes, such protection
22 *However, no actual protection* items are reported in the protection received entity table and consequently in the
23 *provider identifier is required for* instrument-protection entity table.
24 *natural persons*

25 *Please note that the threshold* Protection is always provided by a protection provider. In some cases, protection
26 *defined in Article 5 of the AnaCredit* may be provided by several protection providers (e.g. by joint guarantors or joint
27 *Regulation refers to the debtor's* owners of the protection items) – although in such cases, only one of them is
commitment amount, so protection registered in the protection entity table. Please refer to Section 6.2.2.4.4 for details
providers are reported regardless of regarding how such cases are reported to AnaCredit.
the protection value

1 Any counterparty that is a protection provider registered in the protection entity table
 2 (where the protection provider identifier is registered) is also registered in the
 3 counterparty reference data entity table. Please note that natural persons providing
 4 protection are not registered in the counterparty reference data.

5 *Providers of protection in the form of guarantees registered in the protection received entity table should be registered in the counterparty risk/default entity table*
 6
 7 With regard the relationship between the protection received entity table and the
 8 counterparty risk/default entity table, protection providers are registered in the
 9 counterparty risk/default entity table if they are also the protection issuers²⁶ of the
 10 protection (i.e. the provider of the protection and the issuer of the protection are the same). This situation arises in the case of unfunded credit protection as defined in Article 4(1)(59) of the CRR.

11 *Revision mark: references to the amended ITS are provided*
 12
 13 Specifically, for protection items which are a financial guarantee as defined in
 14 paragraph 114 of Part II of Annex V to the amended ITS, the counterparty which is
 15 the protection provider of such a protection item and is registered in the protection
 16 received entity table is also registered in the counterparty risk/default entity table.²⁷
 17 Note that a financial guarantee as defined in paragraph 114 of Part II of Annex V to
 18 the amended ITS corresponds to the following types of protection (as defined in the
 19 data attribute “type of protection” in Annex IV of the AnaCredit Regulation): “financial
 guarantees other than credit derivatives” and “credit derivatives” (the latter to the extent the credit derivative meets the definition of a financial guarantee).

6.2.2.4.3 Record

20 For all protection items identified and registered in the respective datasets, the
 21 protection received entity table contains a single set of data describing each
 22 protection item.

6.2.2.4.4 The level of granularity

23 *Revision mark: further explanations regarding primary keys are added in this paragraph*
 24
 25 The level of granularity for the protection received entity table is the protection item.
 26 Each record is uniquely identified in the protection received entity table by its primary key, i.e. a combination of the following data attributes (cf. AnaCredit Regulation, Annex I, Template 2, “Protection received data”):

²⁶ Please note that the protection issuer is relevant, especially with regard to the creditworthiness of the protection issuer.

²⁷ Counterparty risk/default information should generally be available in relation to all protection issuers and not just guarantors. As a result, it is expected that information on both protection providers and protection issuers will be collected in the future and so counterparty risk/default information will be required for all protection issuers.

- reporting agent identifier;
- observed agent identifier;
- protection identifier.

Please note that the level of granularity does not include the protection provider identifier. This is because the AnaCredit data model assumes that there is only one protection provider for any protection item. However, protection may actually be provided by several protection providers (for example, joint guarantors providing a financial guarantee). Special treatment is therefore required if there are several protection providers for the same protection item.

Specifically, although reporting agents identify all protection providers of any protection item in their systems (e.g. by maintaining a relationship table between protection items and their protection providers in line with the counterparty-instrument dataset), only one of several protection providers is technically reported to AnaCredit. The AnaCredit Regulation does not specify any particular requirements as to which of the several protection providers is actually to be reported.

6.2.2.4.5 Relationships of the entity table

Revision mark: the examples in this section are reformatted and given a caption

The protection received entity table is related to:

- the instrument-protection received entity table;
- the counterparty reference data entity table.

One record in the protection received entity table links with at least one record in the instrument-protection received entity table

Any protection item registered in the protection received entity table is registered in the instrument-protection received entity table for each instrument that it secures.

There is a relationship between the protection received entity table and the instrument-protection received entity table:

- One record in the protection received entity table links with at least one record in the instrument-protection received entity table (one record for each instrument secured by the protection item).
- One record in the instrument-protection received entity table links with one record in the protection received entity table.

Example 37: Relationships between protection received and instrument-protection

If a protection item secures just one instrument reported in the instrument entity table, there is one record for this instrument in the instrument-protection received entity table.

If a protection item secures several different instruments, there are as many records for this protection item in the instrument-protection received entity table as there are instruments secured by the protection item.

There is a relationship between the protection received entity table and the counterparty reference data entity table:

- 1 • Unless protection is provided by a natural person, one record in the protection
- 2 received entity table²⁸ links with one record in the counterparty reference data
- 3 entity table.
- 4 • One record in the counterparty reference data entity table links with zero, one or
- 5 many records in the protection received entity table.

Example 38: Relationships between protection received and counterparty

Unless a protection provider is a natural person, the protection provider is registered in the counterparty reference data entity table, which describes the protection provider.

Where there are several protection providers for the same protection item, only the protection provider actually registered in the protection received entity table is registered in the counterparty reference data entity table.

6 There is a relationship between the protection received entity table and the

7 counterparty risk/default entity table:

- 8 • One record in the protection received entity table for which the provider of the
- 9 protection and the issuer of the protection are the same (cf. Section 6.2.2.4.2
- 10 for details) links with one record in the counterparty risk/default entity table.
- 11 • One record in the counterparty risk/default entity table links with zero, one or
- 12 more records in the protection received entity table.

6.2.2.4.6 Data attributes

The protection received entity table comprises the following data attributes:

Identifying data attributes

- 13 • Reporting agent identifier
- 14 • Observed agent identifier
- 15 • Protection identifier
- 16 • Protection provider identifier

Other data attributes

Protection received data (dataset 7 in the AnaCredit Regulation)

- 55. Type of protection
- 56. Protection value
- 57. Type of protection value
- 58. Protection valuation approach
- 59. Real estate collateral location
- 60. Date of protection value

²⁸ In the case of protection items provided by several protection providers, only one is registered in the protection received entity table for AnaCredit purposes.

- 61. Maturity date of the protection
- 62. Original protection value
- 63. Date of original protection value

6.2.2.4.7 Protection received dataset

- 1 The protection received entity table corresponds to dataset 7 (protection received
- 2 data) in Template 2 of Annex I to the AnaCredit Regulation.

6.2.2.5 The counterparty risk/default entity table

6.2.2.5.1 Definition of the counterparty risk/default entity table

- 3 The counterparty risk/default entity table is the set of all counterparties which are
- 4 debtors of any instrument reported pursuant to Articles 4 and 5 of the AnaCredit
- 5 Regulation within the scope of the reporting agent, with multiple counting of any
- 6 counterparty that is a debtor of instruments which relate to multiple observed agents.
- 7 The counterparty risk/default entity table also contains those counterparties (other
- 8 than natural persons) that provide protection in the form of financial guarantees (cf.
- 9 Section 6.2.2.4.2 for details) as registered in the protection received entity table.

6.2.2.5.2 Description

- 10 The counterparty risk/default entity table provides information on the probability of
- 11 default of the counterparty, the default status of the counterparty and the date of the
- 12 default status of the counterparty.
- 13 *Counterparty risk/default* The information in the counterparty risk/default entity table is collected for (a)
- 14 *information is collected for debtors* counterparties registered as debtors in the counterparty-instrument entity table and
- 15 for (b) protection providers registered in the protection received entity table which are
- 16 also the issuers of the protection concerned.²⁹
- 17 *The protection issuer is the* The counterparty risk/default entity table is generally applicable to protection
- 18 *counterparty which issues the* providers of unfunded credit protection as defined in Article 4(1)(59) of the CRR
- 19 *protection – for instance, the issuer* which are at the same time the issuers of the protection. The protection issuer is
- 20 *of securities pledged as protection* relevant, especially with regard to the creditworthiness of the protection issuer. It is
- 21 *for an instrument* therefore possible that the protection issuer could come into play at a later stage
- 22 *Revision mark: this paragraph is* when considering additional risk-related attributes in the future. The counterparty
- 23 *aligned with Section 9.1.1 in Part II* risk/default entity table would thus become relevant for all protection issuers and not
- 24 *of the Manual concerning providers*
- 25 *of unfunded credit protection*

²⁹ For example, financial guarantees and credit derivatives meeting the definition of a financial guarantee are such protection items for which the protection provider and the protection issuer are the same. Cf. Section 6.2.2.4.2 for details.

1 just those that are the providers of the protection at the same time. Otherwise, the
 2 counterparty risk/default entity table is not required at present for protection
 3 providers which are not at the same time the issuer of the protection.

4 All counterparties registered in the counterparty risk/default entity table
 5 should be registered in the counterparty reference data entity table.
 All counterparties registered in the counterparty risk/default entity table are also
 registered in the counterparty reference data entity table.

6.2.2.5.3 Record

6 For each counterparty, identified and registered in the respective datasets, which
 7 acts as a debtor of any instrument or is a provider of protection in the form of a
 8 financial guarantee (or any other protection for which the protection provider and the
 9 protection issuer are the same) securing an instrument within the scope of the same
 10 reporting agent, a record of data in the counterparty risk/default entity table for this
 11 counterparty is reported separately for each observed agent within the scope of the
 12 reporting agent in relation to which the counterparty acts as debtor or as a protection
 13 provider.

6.2.2.5.4 The level of granularity

14 *Revision mark: further*
 15 *explanations regarding primary*
 16 *keys are added in this paragraph*

The level of granularity for the counterparty risk/default entity table is the
 counterparty at the level of the observed agent. Each record is uniquely identified in
 the counterparty risk/default entity table by its primary key, i.e. a combination of the
 following data attributes (cf. AnaCredit Regulation, Template 2, "Counterparty risk
 data" and "Counterparty default data"):

- reporting agent identifier;
- observed agent identifier;
- counterparty identifier.

22 The counterparty risk/default entity
 23 table should be reported at the level
 24 of the observed agent. However,
 25 the data attributes should be
 determined at the level appropriate
 for the CRR

Please note that although the counterparty risk/default entity table is reported at the
 level of the observed agent, the information contained therein is determined at the
 appropriate level as stipulated by the CRR. In particular, the default status of the
 counterparty and the probability of default (PD) of the counterparty are determined in
 accordance with the CRR, which requires the level of the observed agent's legal
 entity (i.e. the credit institution as a whole). This means that for different observed
 agents under one credit institution to which the same counterparty acts as debtor or
 protection provider of unfunded protection, the same PD and default status of the
 counterparty are reported in relation to this counterparty.

26 *Revision mark: clarification is*
 27 *added regarding the reporting of*
 28 *counterparty risk/default information*
 29 *under one credit institution*

6.2.2.5.5 Relationships of the entity table

Revision mark: the examples in
this section are reformatted and
given a caption

The counterparty risk/default entity table is related to:

1
2
3
4
5
6
7
8
9
10
11

One record in the counterparty risk/default entity table links with exactly one record in the counterparty reference entity data table

Revision mark: this example is merged with former Example 29 and is adjusted in line with the clarifications regarding protection providers

- the counterparty reference entity table;
- the counterparty-instrument entity table;
- the protection received entity table.

Any counterparty registered in the counterparty risk/default entity table is registered in the counterparty reference data entity table.

There is a relationship between the counterparty risk/default entity table and the counterparty reference data entity table:

- One record in the counterparty risk/default entity table links with exactly one record in the counterparty reference data entity table.
- For each observed agent, one record in the counterparty reference data entity table links with zero or one record in the counterparty risk/default entity table.

Example 39: Relationships between counterparty reference data and counterparty risk/default

If a counterparty in the counterparty reference data entity table does not act as debtor or provider (and issuer) of protection in the form of unfunded credit protection as defined in Article 4(1)(59) of the CRR (such as a financial guarantee, cf. Section 6.2.2.4.2) in relation to any instrument of the observed agent reported under AnaCredit, this counterparty does not link to any record in the counterparty risk/default entity table.

If a counterparty in the counterparty reference data entity table acts as debtor in the counterparty-instrument dataset to several instruments that relate to the same observed agent, the counterparty is reported only once in the counterparty risk/default entity table.

If a counterparty in the counterparty reference data entity table acts as debtor or provider (and issuer) of unfunded protection to several instruments held by different observed agents within the scope of the same reporting agent, then the counterparty is reported in the counterparty risk/default entity table relating to each of the observed agents which hold any instrument in relation to which this counterparty is a debtor or for which the counterparty provides a financial guarantee. In particular, the PD and default status of the counterparty that are reported in relation to this counterparty are identical across different observed agents of one reporting agent.

For counterparties registered in the counterparty risk/default entity table, relevant counterparty information is registered in the counterparty reference data entity table.

Immediate and ultimate parent undertakings of a debtor (or a protection provider which is also the protection issuer) of an instrument are also registered in the counterparty reference data entity table. However, immediate and ultimate parent undertakings do not need to be debtors of any instrument registered in the instrument entity table or protection providers. Immediate and ultimate parent undertakings thus do not need to be registered in the counterparty risk/default entity table.

6.2.2.5.6 Data attributes

The counterparty risk/default entity table comprises the following data attributes:

Identifying data attributes

- 1 • Reporting agent identifier
- 2 • Observed agent identifier
- 3 • Counterparty identifier

Other data attributes

Counterparty risk data (dataset 9 in the AnaCredit Regulation)

64. Probability of default

Counterparty default data (dataset 10 in the AnaCredit Regulation)

65. Default status of the counterparty

66. Date of the default status of the counterparty

6.2.2.5.7 Counterparty risk/default dataset

- 4 The counterparty risk / default entity table corresponds to dataset 9 (counterparty
- 5 risk data) and dataset 10 (counterparty default data) in Template 2 of Annex I to the
- 6 AnaCredit Regulation.

6.2.2.6 The counterparty reference data entity table

6.2.2.6.1 Definition of the counterparty reference data entity table

- 7 The counterparty reference data entity table is the set of all institutional units which
- 8 are linked to instruments reported pursuant to Articles 4 and Article 5 of the
- 9 AnaCredit Regulation or provide protection to secure such, or are affiliated with
- 10 debtors or protection providers (AnaCredit Regulation, Annex I, Template 1, 1.3).

- 11 Each counterparty registered in the counterparty reference data entity table is
- 12 uniquely identified at the level of the observed agent's legal entity (the credit
- 13 institution). This requirement is discussed in more detail in Section 3.1. No data on
- 14 natural persons are required in the counterparty reference data entity table.

6.2.2.6.2 Description

Specifically, the counterparties to be registered are:

- (a) creditors;
- (b) debtors;
- (c) protection providers;
- (d) originators;

(e) servicers;

The following counterparties affiliated with debtors or protection providers are also registered in the counterparty reference data entity table:

(f) head office undertakings;

(g) immediate parent undertakings;

(h) ultimate parent undertakings.

However, additional conditions apply for head office undertakings, immediate parent undertakings and ultimate parent undertakings. These conditions are:

- the head office undertaking of (a foreign branch or a special fund)³⁰ that is a debtor of an instrument registered in the counterparty-instrument entity table or a protection provider registered in the protection entity table;
- the immediate parent undertaking of a debtor of an instrument registered in the counterparty-instrument entity table or a protection provider registered in the protection entity table;
- the ultimate parent undertaking of a debtor of an instrument registered in the counterparty-instrument entity table or a protection provider registered in the protection entity table.

Please note that for each counterparty identifier reported in the following data attributes “head office undertaking identifier”, “immediate parent undertaking identifier” and “ultimate parent undertaking identifier”, there is a data record in the counterparty reference data (i.e. dataset 1 in Annex I of the AnaCredit Regulation) for each of the respective undertakings.

Please note that the counterparty identifier of a legal entity is at the same time the counterparty identifier of the domestic part of the legal entity.

Please also note that the head office undertaking identifier, the immediate parent identifier and the ultimate parent identifier are only required in the counterparty reference data entity table for counterparties that are registered in the counterparty-instrument entity table as debtor and counterparties that are registered in the protection received entity table as protection providers.

The counterparty reference data entity table never includes data on counterparties which are natural persons, even if such counterparties act as co-debtors (i.e. where there is a plurality of debtors) of instruments registered in the instrument entity table or as protection providers of any protection registered in the protection received entity table.³¹

A counterparty may be a debtor in relation to several instruments or may assume more than one of the above-mentioned roles. However, each counterparty is only

Revision mark: editorial changes are applied to this paragraph

³⁰ Cf. Section 3.1, which refers to special funds.

³¹ In fact, natural persons are not registered in any of the six entity tables for AnaCredit purposes.

1 registered once in the counterparty reference data (AnaCredit Regulation, Annex I,
2 Template 1, 1.3.).

6.2.2.6.3 Record

3 For all counterparties identified and registered in the respective datasets, there is a
4 single record of data describing the counterparties in the counterparty reference data
5 entity table.

6.2.2.6.4 The level of granularity

6 *Revision mark: further*
7 *explanations regarding primary*
8 *keys are added in this paragraph*

The level of granularity for the counterparty reference data is the counterparty. Each record of the counterparty reference entity table is uniquely identified by its primary key, i.e. the combination of the following data attributes (cf. AnaCredit Regulation Template 1; “Counterparty reference data”):

- 10 • reporting agent identifier;
- 11 • counterparty identifier.

12 *Revision mark: editorial changes*
13 *are applied to this paragraph*

As two different reporting agents may assign the same counterparty identifier to different counterparties,³² the reporting agent identifier is necessary to distinguish these two counterparties in AnaCredit.

15 Records in the counterparty reference entity data table represent institutional units
16 which are legal entities or form part of legal entities.

6.2.2.6.5 Relationships of the entity table

17 *Revision mark: the examples in*
18 *this section are reformatted and*
19 *given a caption*

The counterparty reference data entity table is related to:

- 17 • the counterparty reference data entity table (self-referencing);
- 18 • the protection received entity table;
- 19 • the counterparty-instrument entity table;
- 20 • the counterparty risk/default entity table.

21 There can be three relationships between records of the counterparty reference data
22 entity table:

- (a) Ultimate parent undertaking relationship:

³² Cf. point 1.3 of Template 1 and the definition of counterparty identifier in Annex IV.

- 1 • One record of the counterparty reference data entity table can have zero or one
 2 ultimate parent undertaking.
- 3 • One record of the counterparty reference data entity table can be the ultimate
 4 parent undertaking for zero, one or more other records of the counterparty
 5 reference data entity table;
- (b) Immediate parent undertaking relationship:
- 6 • One record of the counterparty reference data entity table can have zero or one
 7 immediate parent undertaking;
- 8 • One record of the counterparty reference data entity table can be the immediate
 9 parent undertaking for zero, one or more other records of the counterparty
 10 reference data entity table;
- (c) Head office undertaking relationship:
- 11 • One record of the counterparty reference data entity table can have zero or one
 12 head office undertaking.
- 13 • One record of the counterparty reference data entity table can be the head
 14 office undertaking for zero, one or more other records of the counterparty
 15 reference data entity table.

Example 40: Relationships between foreign branch and head office undertaking

A resident foreign branch has one and only one head office undertaking

16 There is a relationship between records of the protection received entity table and
 17 records of the counterparty reference data entity table:

- 18 • One record in the counterparty reference data entity table links with zero, one or
 19 more records in the protection received entity table.
- 20 • Unless a protection provider is a natural person, one record in the protection
 21 received entity table links with one record in the counterparty reference data
 22 entity table; (there is no such link where protection providers are natural
 23 persons).

Example 41: Relationships between protection and counterparty reference data

A counterparty can grant protection against a contractually agreed negative credit event for zero, one or more instruments.

A protection item does not have a relationship with a record of the counterparty reference data entity table if the protection item is provided by a natural person.

24 There is a relationship between the counterparty-instrument entity table and the
 25 counterparty reference data entity table:

- 1 • One record in the counterparty reference data entity table links with zero, one or
- 2 more records in the counterparty-instrument entity table.
- 3 • One record in the counterparty-instrument entity table links with one record in
- 4 the counterparty reference data entity table.

Example 42: Relationships between counterparty-instrument and counterparty reference data

A counterparty can grant protection against a contractually agreed negative credit event for zero, one or more instruments, but this counterparty does not have any counterparty role (neither debtor nor creditor nor servicer nor originator) in relation to any instrument.

A counterparty can play several roles for many instruments (debtor of a deposit; creditor or originator of a loan; servicer) in relation to any instrument.

5 There is a relationship between the counterparty reference data entity table and the
6 counterparty risk/default entity table:

- 7 • One record in the counterparty risk/default entity table links with one record in
- 8 the counterparty reference data entity table.
- 9 • For a given observed agent, one record in the counterparty reference data
- 10 entity table links with zero or one record in the counterparty risk/default entity
- 11 table.

Example 43: Relationships between counterparty reference data and counterparty risk/default

A counterparty in the counterparty reference data entity table which does not assume the role of the debtor in relation to any instrument of an observed agent or is not a provider of protection in the form of a financial guarantee³³ does not relate to any record in the counterparty risk/default entity table reported in relation to the observed agent.

6.2.2.6.6 Data attributes

Identifying data attributes

- 12 • Reporting agent identifier
- 13 • Counterparty identifier

Other data attributes

Counterparty reference data (dataset 1 in the AnaCredit Regulation)

- 67. Legal Entity Identifier (LEI)
- 68. National identifier
- 69. Head office undertaking identifier
- 70. Immediate parent undertaking identifier

³³ Cf. Section 6.2.2.4.2 for more information.

71. Ultimate parent undertaking identifier
72. Name
73. Address: street
74. Address: city/town/village
75. Address: county/administrative division
76. Address: postal code
77. Address: country
78. Legal form
79. Institutional sector
80. Economic activity
81. Status of legal proceedings
82. Date of initiation of legal proceedings
83. Enterprise size
84. Date of enterprise size
85. Number of employees
86. Balance sheet total
87. Annual turnover
88. Accounting standard

6.2.2.6.7 Counterparty reference dataset

- 1 The counterparty reference data entity table corresponds to dataset 1 (counterparty
- 2 reference data) in Template 1 of Annex I to the AnaCredit Regulation.

6.3 Reportable datasets and reporting timeliness

- 3 The actual datasets to be reported are derived from the entity tables of the AnaCredit
- 4 logical data model, taking into consideration different methods for reporting the data
- 5 to AnaCredit and various reporting frequencies.

6.3.1 Reportable datasets

- 6 On a general level, AnaCredit requires that reporting agents report granular credit,
- 7 protection and counterparty information on a regular basis. More specifically, three
- 8 types of reporting frequencies have been introduced in the AnaCredit Regulation:
- 9 monthly, quarterly and on change.
- 10 Different reporting methods and frequencies mean that there are
- 11 actually 10 distinct datasets
- 12 To start with, the actual number of datasets to report (i.e. reports) is ten (10). This is
- a result of applying different reporting methods and frequencies to different data
- attributes.

In particular, the information contained in the instrument entity table of the logical data model is actually divided into three (3) datasets solely for the purpose of reporting the instrument information to AnaCredit:

1. the instrument dataset;
2. the financial dataset;
3. the accounting dataset.

The counterparty-instrument entity table is also divided into two (2) datasets:

4. the counterparty-instrument dataset;
5. the joint liability dataset.

The counterparty risk/default entity table is divided into two (2) datasets:

6. the counterparty risk dataset;
7. the counterparty default dataset.

Finally, the other three (3) entity tables of the logical data model are directly translated into datasets. These are:

8. the instrument-protection received dataset;
9. the protection received dataset;
10. the counterparty reference data.

Since the ten distinct datasets are created by simply splitting the underlying entity table into groups of data attributes contained therein, the level of granularity of these ten datasets is the same as the level of granularity of the underlying entity table as distinguished in the AnaCredit logical data model.

An overview of all ten of these datasets is provided in the logical data model chart below. The origination of each of the datasets (i.e. a group of data attributes) is indicated by colours. Groups of data attributes belonging to the same data entity are defined on the same level and differ only in terms of the reporting frequency and timelines applicable.

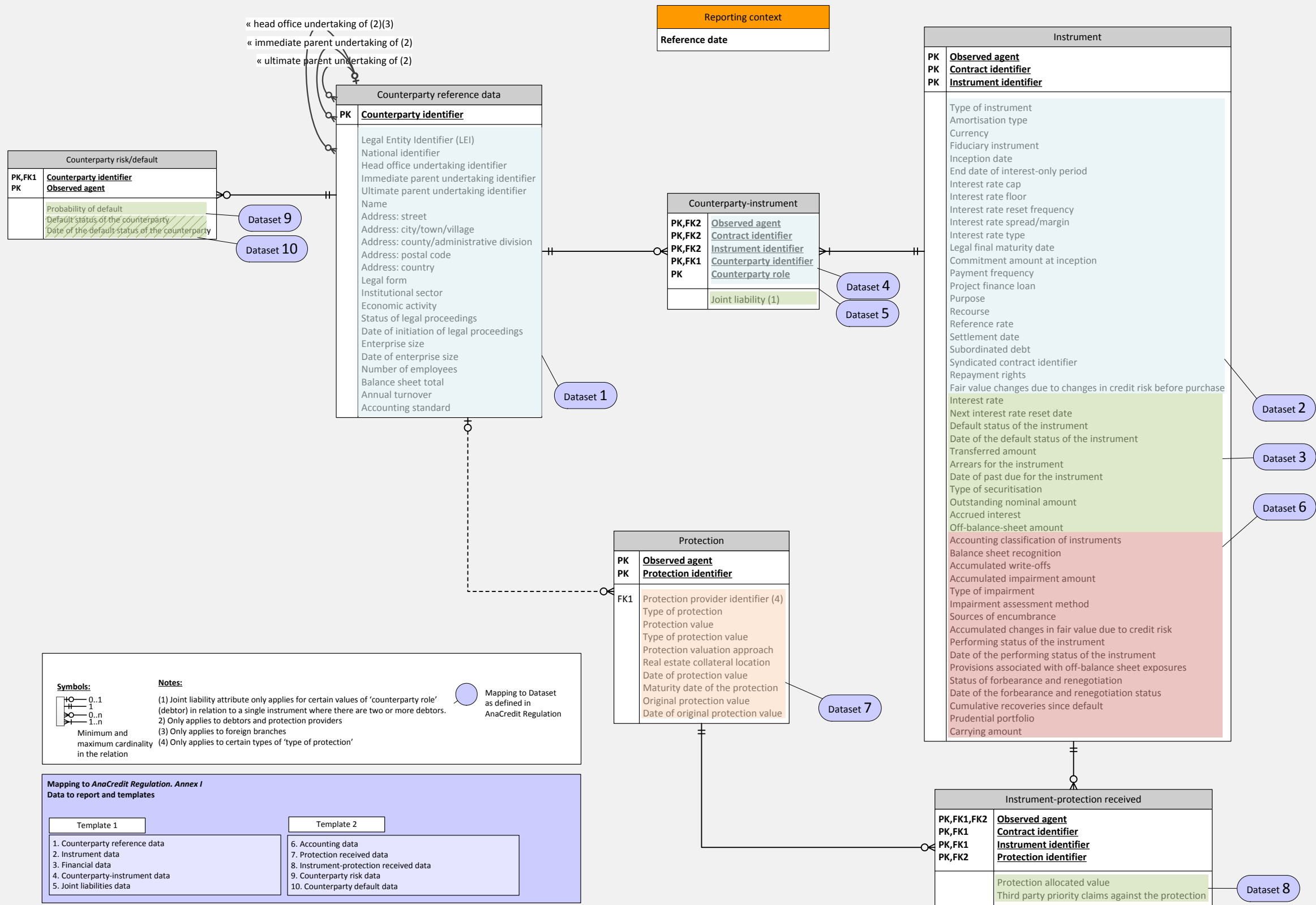
The split of the datasets into Template 1 and Template 2, as set out in Article 6 of the AnaCredit Regulation, is also indicated in Chart 16. The following datasets are all part of Template 1:

- the counterparty reference data;
- the instrument dataset and the financial dataset of the instrument entity table;
- the counterparty-instrument dataset and the joint liabilities dataset.

The remaining datasets belong to Template 2.

Chart 16: AnaCredit logical data model and reportable datasets – the reporting agent’s perspective

This entity relationship diagram is presented taking the reporting agent’s perspective for a fixed reference date (thus not shown in the chart).



1 The timelines for reporting the respective reports are described in the following
2 section.

6.3.2 Reporting methods, frequencies and timeliness

3 In general, AnaCredit anticipates that all data describe a credit (i.e., instrument,
4 protection and counterparty) as of the last day of the month to which they relate (i.e.
5 the reporting reference date). However, AnaCredit provides for different reporting
6 methods and frequencies for different datasets.

7 AnaCredit distinguishes between two different reporting methods:

- (a) regular, where all records are reported;
- (b) on change, where only new or changed records are reported.

8 AnaCredit distinguishes between two different reporting frequencies: (i) monthly
9 frequency and (ii) quarterly frequency.

10 *Static data: due to relatively*
11 *infrequent changes, these data are*
12 *sent once and updated only in the*
13 *event of changes*

14 *Revision mark: further*
15 *clarifications regarding static data*
16 *are included*

For datasets transmitted following the on change method, due to relatively infrequent changes of all their data attributes (i.e. static data), the reporting frequency for reporting new or changed records is monthly, which means that data are reported once and updated only in the event of changes at least monthly, no later than the monthly transmission.

15 With regard to the transmission of data in the protection received entity table, the mix
16 of monthly (for new records) and quarterly (for changed records) reporting is to be
17 treated as monthly reporting.

18 *Dynamic data: these data change*
19 *regularly and are therefore sent in*
20 *every reporting period, with a*
21 *predefined frequency*

22 *Revision mark: editorial changes*
23 *are applied to this paragraph*

Furthermore, datasets transmitted following the regular reporting method are reported either monthly or quarterly depending on the dataset, where all records of a dataset are required to be reported periodically because they can change in every period (i.e. dynamic data) irrespective of whether or not there have been any changes.

23 *AnaCredit requires reporting of*
24 *complete records and not just*
25 *individual attributes*

In all cases, complete records (rows with all the data attributes of the datasets) are required to be reported (as opposed to individual data attributes).

25 Records of a dataset (i.e. either all records or only new/changed records) with a
26 monthly reporting frequency are submitted to AnaCredit every month pursuant to the
27 timelines relevant for reporting data relating to an observed agent.

28 *Data records reported on change*
29 *should be reported at least once a*
30 *month*

With regard to new or changed records in particular, all records of a dataset are initially submitted to AnaCredit (as all are considered new records) in relation to the first reporting of data for 30 September 2018. Thereafter, AnaCredit is only informed of changed or new records. In the event of a change, however, the relevant records do not have to be reported to AnaCredit immediately but are only required by no later than the earliest monthly transmission date.

1		Please note that a new record covers the situation where a new instrument is
2		originated by the observed agent or a protection item is added in the period between
3		two consecutive reporting reference dates.
4		Quarterly reporting, meanwhile, means that the respective records of a dataset (i.e.
5		all records) are submitted to AnaCredit every quarter pursuant to the timelines
6		relevant for reporting data relating to an observed agent.
7		Different timeliness applies for submission of datasets (all records including
8		new/changed records) depending on the residency status of the observed agent.
9		In particular, for resident observed agents:
10		• data reported monthly under Article 13(4) of the AnaCredit Regulation are
11		reported by NCBs to the ECB within 30 working days of the reporting reference
12		date (end of month) to which they refer;
13		• data reported quarterly under Article 13(5) of the AnaCredit Regulation are
14		reported by NCBs to the ECB within 15 working days of the remittance date
15		(defined in Article 3(1)(b) of Commission Implementing Regulation (EU) No
16		680/2014 – hereinafter referred to as “the ITS”) following the reporting reference
17		date (end of month) to which they refer.
18	<i>Revision mark: an explanation is</i>	
19	<i>added regarding non-resident</i>	For non-resident observed agents (i.e. observed agents that are foreign branches
	<i>foreign branches</i>	not resident in a reporting Member State), the following timelines applies:
20		• data reported monthly under Article 13(6) of the AnaCredit Regulation are
21		reported by NCBs to the ECB within 35 working days of the reporting reference
22		date (end of month) to which they refer;
23		• data reported quarterly under Article 13(7) of the AnaCredit Regulation are
24		reported by NCBs to the ECB within 20 working days of the remittance date
25		(defined in Article 3(1)(b) of the ITS) following the reporting reference date (end
26		of month) to which they refer.
27		The exact timeliness depends on the number of ECB and NCBs public holidays in
28		the reference period concerned.
29		The counterparty reference data dataset is compiled at reporting agent level
30		(counterparties contained therein are unique at the level of the reporting agent) and
31		the specific timelines for observed agents do not generally apply. More specifically, if
32		the reporting agent reports the activity as creditor or servicer of both resident and
33		non-resident observed agents, the different timelines are aligned to ensure
34		uniqueness of the counterparty reference data at the reporting agent level. Any
35		changes in the counterparty reference data therefore are reported following the
36		timelines envisaged for resident observed agents.
37	<i>Revision mark: further</i>	
38	<i>clarifications are added to Table 3,</i>	The following table provides an overview of the reporting methods, frequencies and
	<i>including about the remittance</i>	timeliness per dataset based on the residency status of an observed agent.
	<i>dates</i>	

Table 3: Reporting method, frequency and timeliness per report and residency status

Dataset	What to report?	When to report?	Reporting timeliness	
			Resident observed agent	Non-resident observed agent
Instrument dataset	Only new or changed records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Financial dataset	All records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Accounting dataset	All records	Quarterly	ITS remittance date + 15 working days	ITS remittance date ³⁴ + 20 working days
Counterparty-instrument dataset	Only new or changed records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Joint liability dataset	All records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Instrument-protection received dataset	All records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Protection received dataset	Only new or changed records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Counterparty risk dataset	All records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Counterparty default dataset	All records	Monthly	Reference date + 30 working days	Reference date + 35 working days
Counterparty reference data dataset	Only new or changed records	Monthly	Reference date + 30 working days	

Reporting all records means that the complete dataset (new, changed and unchanged records) is sent monthly or quarterly to AnaCredit (as indicated in the “When to report” column).

Reporting only new or changed means reporting only those records that are either new records or have been changed (i.e. one or more data attributes of a record have changed) with the result that the values provided previously are no longer valid.

1 *Revision mark: further*
2 *clarifications are added*

Please note that the reporting timeliness indicated in Table 3 applies to transmission by NCBs to the ECB. NCBs may require the relevant datasets to the reporting agents earlier than the timelines indicated according to Article 13(2) of AnaCredit Regulation in order to meet their reporting deadlines to the ECB.

The so called “on change” reporting method is generally used to report static data, i.e. data that are updated only if necessary. In the case of AnaCredit the “on change” reporting method presented in the examples below is relevant for all datasets whereby only new or changed records are reported. These are:

³⁴ The reporting remittance dates defined in Article 3(1)b of the ITS are:
12 May for data relating to 31 March;
11 August for data relating to 30 June;
11 November for data relating to 30 September;
11 February for data relating to 31 December.

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Revision mark: the reference to the exact timeliness has been moved up to outside of the examples, the captions are adjusted

- the instrument dataset;
- the counterparty-instrument dataset;
- the protection received dataset;
- the counterparty reference data dataset.

With regard to counterparty reference data in particular, these data are highly relevant for the cross-validation with AnaCredit data. It is therefore highly recommended that these data are sent some days in advance. This would allow time to resolve any possible incidents in the counterparty reference data before the actual credit reporting takes place.

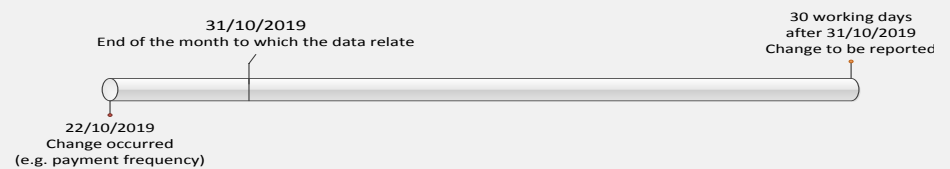
A set of illustrative examples of how to report a change in the instrument dataset to AnaCredit is provided below. Please note that in all the examples the exact timeliness depends on the number of ECB and NCBs public holidays in the reference period concerned.

Example 44: Reporting in the case of a single change in a data attribute

This example concerns the instrument dataset. A change in one data attribute (e.g. payment frequency) is acknowledged by the reporting agent on 22 October 2019. This change relates to an instrument already reported to AnaCredit.

Given this change, a complete record (i.e. all the data attributes in one row, whether affected or unaffected by the change) of the instrument dataset is reported by no later than the 30th working day after the earliest reporting reference date on which the change is in effect.

Since the relevant reference date for the change is 31 October 2019, the record is reported to AnaCredit within 30 working days of the reporting reference date.

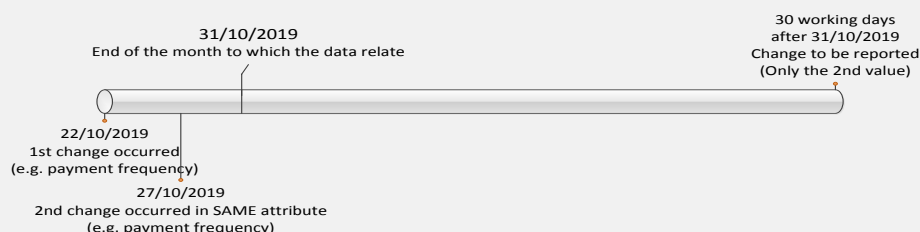


Example 45: Reporting in the case of multiple changes in the same data attribute in the same month

This example concerns the instrument dataset. A change in one data attribute (e.g. payment frequency) is acknowledged by the reporting agent on 22 October 2019. However, on 27 October 2019 the data attribute is changed again. These changes relate to an instrument already reported to AnaCredit.

Given that only the latter change is in effect on the earliest reporting reference date (i.e. 31 October 2019), the former change (on 22 October 2019) is irrelevant and only the change on 27 October is reported.

A complete record of the instrument dataset is reported to AnaCredit within 30 working days of 31 October 2019.

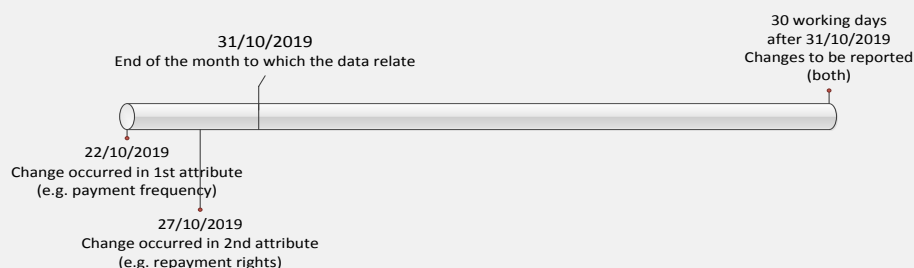


Example 46: Reporting in the case of multiple changes in different data attributes and dates in the same month

This example concerns the instrument dataset. A change in one data attribute (e.g. payment frequency) is acknowledged by the reporting agent on 22 October 2019. On 27 October 2019 a change is made in another data attribute of the instrument dataset (e.g. repayment rights). These changes relate to an instrument already reported to AnaCredit.

Since both changes are in effect as of 31 October 2019, the timeline for reporting both changes is 30 working days after 31 October 2019.

A single complete record (i.e. all the data attributes in one row, whether affected and unaffected by the change) of the instrument dataset is submitted to update the two data attributes changed.



Example 47: Reporting in the case of multiple changes in consecutive months

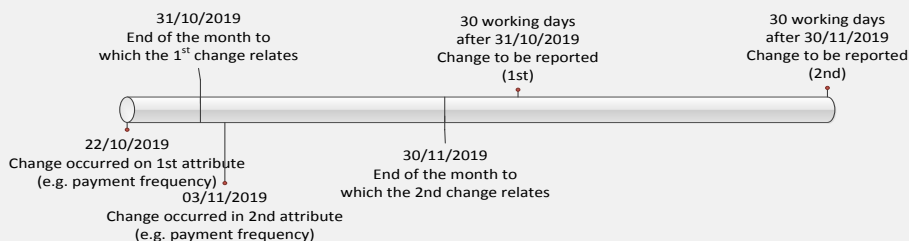
This example concerns the instrument dataset. A change in one data attribute of the data (e.g. payment frequency) is acknowledged by the reporting agent on 22 October 2019. This data attribute is changed again on 3 November 2019. These changes relate to an instrument already reported to AnaCredit.

Given that only the former change is in effect on the earliest reporting reference date (i.e. 31 October 2019), while the latter change (on 3 November 2019) is only in effect on 30 November, the reporting timelines are as follows:

- The first change (on 22 October 2019) is reported within 30 working days of 31 October 2019.
- The second change (on 3 November 2019) is reported within 30 working days of 30 November 2019.

This means that a complete record (i.e. all the data attributes in one row) of the instrument dataset is reported to AnaCredit within 30 working days of 31 October 2019 (for the change on 22 October 2019).

Another complete record of the instrument dataset is reported to AnaCredit within 30 working days of 30 November 2019 (for the change on 3 November 2019)



7 Article 7 and reduced data requirements

1		Pursuant to Article 6(1) of the AnaCredit Regulation, reporting agents report to
2		AnaCredit all data attributes listed in the templates in Annex I of the AnaCredit
3		Regulation.
4	Reduced data requirements under Annexes II and III	However, as stipulated in Article 7, the reporting requirements may be reduced in
5		certain specific cases. These cases are described in Annex II and III of the
6		AnaCredit Regulation.
7		In fact, the AnaCredit Regulation distinguishes between:
8		• specific cases in relation to counterparty reference data;
9		• specific cases in relation to the remaining data attributes.
10		Annex III deals with reduced requirements for counterparty reference data, while
11		Annex II outlines reduced requirements for the remaining datasets.
12		In other words, the AnaCredit Regulation essentially requires that whenever an
13		instrument is reported to AnaCredit, reporting agents submit all the data attributes
14		listed in Annex I thereof. However, exemptions may apply in relation to certain data
15		attributes and under certain conditions.
16	General exemptions versus national exemptions	Accordingly, the AnaCredit Regulation contains a classification of the specific
17		circumstances under which a certain data attribute may not be required. A distinction
18		is made between the following:
		(a) circumstances under which individual reporting agents may be exempted from reporting certain data attributes by the relevant NCB; (b) circumstances under which reporting agents are not required to report certain data attributes at all.
19		Specific data attributes whose collection is at NCBs' discretion (case (a) above) are
20		marked as "N" in Annex II and Annex III of the AnaCredit Regulation. Data attributes
21		that are not required to be reported (case (b) above) are marked as "X" in Annex II
22		and Annex III of the AnaCredit Regulation.
23	Required versus not required	All data attributes that are not marked as either "N" or "X" in Annex II or Annex III of
24		the AnaCredit Regulation are required to be reported, in other words reporting
25		agents are obliged to report the actual value for such data attributes as of the
26		reporting reference date, where the actual value provides information about the
27		respective feature as of the reporting reference date to which it refers.
28	<i>Revision mark: a reference to Section 2.2 in Part II of the Manual is added regarding special reporting values</i>	For information regarding the reporting of data attributes which are not (or may not
29		be, at NCBs' discretion) required or which do not apply under certain circumstances,
30		please refer to Section 2.2 in Part II of the Manual which deals specifically with
31		special reporting values.

7.1 General rules regarding data attributes marked as “X”

“X” data attributes are not mandatory

Under the specified circumstances, the collection of any data attribute marked as “X” in Annex II or Annex III is not mandatory.

This means that reporting agents are not required to report the actual value for these data attributes to AnaCredit in the specified situation.

The exemption from reporting certain data attributes to AnaCredit is nevertheless without prejudice to national requirements. As NCBs may, on the basis of national regulations, extend reporting obligations beyond the scope defined in the AnaCredit Regulation, reporting agents in a given country may in fact be required to report some or all of the data attributes marked as “X”. Such data attributes are also transmitted to AnaCredit.

If reporting agents choose to report the data attributes not required by the AnaCredit Regulation (i.e. they report the actual values for these data attributes), they are collected by NCBs and transmitted to AnaCredit and are subject to the minimum standards for transmission, accuracy, compliance with concepts and revisions specified in Annex V of the AnaCredit Regulation.

7.2 General rules regarding data attributes marked as “N”

“N” data attributes are mandatory unless indicated otherwise by the relevant NCB

Under the specified circumstances, the collection of any data attribute marked as “N” in Annex II or Annex III is mandatory unless decided otherwise by the relevant NCB.

More specifically, NCBs have the right to exempt reporting agents from reporting certain data attributes to AnaCredit under certain specified circumstances.

This means that if special conditions apply, the relevant NCB may decide not to require reporting agents to report certain data attributes. Effectively, the reporting of such data attributes is not mandatory under the specified circumstances and reporting agents do not have to report the actual value for these data attributes.

Although the specific right of NCBs is deemed to be primarily applicable to individual (or groups of) reporting agents (in cases where a given reporting agent temporarily faces difficulties in obtaining the data), it may also be applied to the reporting population as a whole if the relevant NCB considers that these difficulties exist generally.

7.3 Reduced requirements for counterparty reference data – the most onerous reporting requirement

Tables 2 and 3 of Annex III of the AnaCredit Regulation specify the reporting requirements for each data attribute in the counterparty reference data described in Template 1 of Annex I.

1		Table 2 specifies the requirements for counterparties resident in a reporting Member
2		State while Table 3 specifies the requirements for counterparties not resident in a
3		reporting Member State.
4	The level of application is the	The requirements for counterparty reference data apply at the level of the reporting
5	reporting agent	agent; this is implied by the fact that counterparties are uniquely identified and
6		registered at the level of the reporting agent (i.e. the observed agent's legal entity, cf.
7		Section 3.1).
8		In line with the AnaCredit data model, and as also described in Chapter 3, a single
9		counterparty may be involved in several instruments or take on different roles as a
10		counterparty for the same instrument. However, each counterparty is registered only
11		once in the counterparty reference data without specifying which roles the
12		counterparty takes on or which observed agent the counterparty actually originates
13		from.
14		In particular, any counterparty affiliated with instruments reported to AnaCredit may
15		take on one or more of the following roles:
16		• reporting agent;
17		• observed agent;
18		• creditor;
19		• debtor;
20		• servicer;
21		• originator;
22		• protection provider;
23		• head office undertaking (of a foreign branch or a special fund that is a debtor or
24		protection provider);
25		• immediate parent undertaking (of a debtor or protection provider);
26		• ultimate parent undertaking (of a debtor or protection provider).
27	Reporting agent reports only one	The counterparty reference data reported to AnaCredit by a reporting agent contain
28	record in the counterparty reference	only one record for each counterparty as of a given reporting reference date
29	data for each counterparty	irrespective of how many observed agents (of the reporting agent) effectively relate
30		to the given counterparty and regardless of how many roles the counterparty takes
31		on across the related observed agents. Irrespective of which role or roles a
32		counterparty takes on, the reporting agent reports a single record relating to the
33		counterparty in the counterparty reference data.
34	Different requirements for debtors	In addition, in respect of the counterparty reference data relating to one reporting
35	depending on when reported	agent, AnaCredit distinguishes between
	instruments originated	
		(i) debtors for which all instruments reported to AnaCredit originated before
		1 September 2018;
		(ii) debtors for which at least one instrument reported to AnaCredit originated
		on or after 1 September 2018.
36	Date of origination is based on the	Whether or not an instrument is originated before 1 September 2018 is determined
37	inception date of an instrument of	on the basis of the inception date (data attribute in the instrument dataset).
	which the counterparty is the debtor	

1 A counterparty may only be
2 resident in one country at a given
date

Finally, any counterparty may be either resident in a reporting Member State or not resident in a reporting Member State.

3 Registering a counterparty in the counterparty reference data means that a certain
4 number of data attributes are reported for the counterparty. Which data attributes
5 actually have to be reported depends on which roles the counterparty takes on, also
6 taking account of the possibility that the same counterparty may appear across
7 several observed agents of the same reporting agent.

8 The counterparty reference data
9 should be compiled at the level of
the reporting agent

More specifically, before a record can be registered in the counterparty reference data it is first necessary to determine which data attributes are in fact required for each counterparty taking into account all roles (and instruments) that the counterparty takes on across all observed agents reported by the reporting agent.

10 *Revision mark: editorial*
11 *adjustments are applied to this*
paragraph

In fact, the AnaCredit Regulation stipulates that if a counterparty to be registered in the counterparty reference data is covered by more than one description in Table 2 or 3, the most onerous reporting requirement across the descriptions applies in relation to the counterparty for a given data attribute.

16 The most onerous requirement is understood as follows: if a counterparty takes on
17 two roles (e.g. acts as both creditor and servicer) and the same data attribute is
18 required for the one role but not required for the other, the most onerous requirement
19 implies that the data attribute is required for the counterparty.

20 Example 48 illustrates how to determine whether a data attribute is reported to
21 AnaCredit in the event that a counterparty takes on more than one role listed in the
22 headers of Table 2 (and Table 3) in Annex III to the AnaCredit Regulation.

Example 48: Most onerous requirement takes precedence

Assumptions:

- In relation to the reporting reference date 31 March 2019 the instrument INS_1 of the observed agent RA_1_OA_1 is reported to AnaCredit by the reporting agent RA_1. The counterparty Ctpy_A is a debtor of the instrument INS_1. The instrument originates after 1 September 2018.
- In relation to the same reporting reference date, the reporting agent RA_1 reports to AnaCredit the instrument INS_2 of the observed agent RA_1_OA_1. The counterparty Ctpy_A is a protection provider for the instrument.
- The counterparty Ctpy_A is resident in a reporting Member State. The counterparty is a legal entity. The reporting agent RA_1 reports no other instruments in which the counterparty Ctpy_A is involved and the counterparty is not affiliated with any other debtor or protection provider reported by the reporting agent RA_1.

Which data attributes are required for the counterparty Ctpy_A in the counterparty reference data?

In relation to the data reported by the reporting agent RA_1, the counterparty Ctpy_A takes on only two roles:

- debtor — at least one instrument originated on or after 1 September 2018;
- protection provider.

However, the counterparty only is registered in the counterparty reference data once. The counterparty is uniquely identified by its counterparty identifier and the data attributes to be registered are determined as follows:

In accordance with Table 2 (counterparty resident in a resident Member State), the economic activity is required for the debtor's role but may not be required for the protection provider's role depending on the decision of the relevant NCB. Since the most onerous requirement takes precedence, the economic activity is required for the counterparty *Ctpy_A* regardless of the NCB's decision regarding the requirement for protection providers.

Repeating the reasoning for all data attributes, the counterparty reference data reported by the reporting agent *RA_1* in relation to the counterparty *Ctpy_A* ultimately contains at least the following data attributes:

- counterparty identifier (always required);
- national identifier;
- head office undertaking identifier;
- immediate parent undertaking identifier;
- ultimate parent undertaking identifier;
- name;
- address: street;
- address: city/town/village;
- address: county/administrative division;
- address: postal code;
- address: country;
- legal form;
- institutional sector;
- economic activity;
- status of legal proceedings;
- date of initiation of legal proceedings;
- enterprise size;
- date of enterprise size;
- number of employees;
- balance sheet total;
- annual turnover;

These data attributes are generally required in relation to the counterparty *Ctpy_A* because they are required by the AnaCredit Regulation for debtors with at least one instrument originated at or after 1 September 2018 (and thus required) or are required for both debtors and protection providers.

The only data attribute that is not required in relation to the counterparty is the accounting standard, as this attribute is only required for reporting agents and the counterparty in question is not the reporting agent reporting the instrument.

With regard to the legal entity identifier (LEI), this data attribute may not be required for the counterparty concerned depending on what the relevant NCB decides.

1 The conditions that determined
2 whether or not a certain data
3 attribute is required in relation to
4 counterparties should be verified on
5 a regular basis

Please note that whether or not a given counterparty data attribute is required to be reported by a reporting agent depends on which roles counterparties take on in relation to instruments reported to AnaCredit. Therefore, should a counterparty take on an additional role from one reporting reference date to the next, the counterparty reference data are updated accordingly. This is illustrated in the example below.

Example 49: More stringent requirements on subsequent reporting reference dates

The counterparty *Ctpy_B* is a servicer of an instrument of the observed agent *RA_1_OA_1* reported by the reporting agent *RA_1* as of a given reporting reference date. The counterparty *Ctpy_B* does not take on any other role in relation to any instruments reported by the reporting agent *RA_1*.

The set of attributes to be reported in relation to the counterparty *Ctpy_B* is that which is required for servicers resident in a reporting Member State as set out in Table 2 (column 11) of Annex III of the AnaCredit Regulation.

However, if on a subsequent reporting reference date the reporting agent reports an additional instrument of which the counterparty *Ctpy_B* is a debtor, then the reporting agent updates the counterparty reference data accordingly to account for the fact that the counterparty *Ctpy_B* takes on two roles (servicer and debtor) as of the subsequent reporting reference date. Again, the most onerous requirement across these roles takes precedence (in this case, it is the role of debtor).

6 By contrast, in the opposite case where fewer data attributes are required for a
7 counterparty from one period to the next it is not necessary to update the
8 counterparty reference data by removing data attributes that are no longer strictly
9 required, provided such data remains up to date.

7.4 Deriving reduced requirements for credit data – the least onerous requirement

10 The reporting requirements in relation to data other than counterparty reference data
11 – i.e. datasets 2 to 10 in Annex I – may be reduced if specific conditions apply.

12 AnaCredit Regulation specifies four cases in which certain data attributes are not
13 required:

- 14 1. observed agents that are not resident in a reporting Member State;
- 15 2. observed agents not subject to capital requirements;
- 16 3. fully derecognised instruments being serviced;
- 17 4. instruments originating prior to 1 September 2018.

18 The specific requirements in each of these cases are set out in Table 1 of Annex II.
19 As with the specific requirements for counterparty reference data, the following
20 classification is used:

(a) N: subject to individual arrangements, the relevant NCBs may decide not to collect this information from individual (or groups of) reporting agents;

(b) X: information not required to be reported.

1 The least onerous requirement
2 applies. The level of application is
3 the single observed agent (as
4 opposed to reporting agent)

Where no classification is provided, the information is required to be reported. Any AnaCredit data attribute that is not listed in Table 1 of Annex II is required, regardless of the four conditions referred to at the top of the table. However, where data is covered by more than one description in Table 1, the least onerous reporting requirement applies.

6 The least onerous requirement is understood as follows: if one (or more) of the four
7 cases applies in relation to the same data attribute and the data attribute is not
8 required in any of the applicable cases, the least onerous requirement implies that
9 the data attribute is not required.

10 Moreover, insofar as the requirements for counterparty reference data apply at
11 reporting agent level, the reduced requirements for the remaining data apply at the
12 level of the single observed agent.

13 To determine whether or not a certain data attribute listed in Table 1 of Annex II is
14 required, it is necessary to determine whether any of the four conditions referred to
15 at the top of the table are fulfilled for the data attribute in question. These conditions
16 apply at the relevant level: instrument, protection or counterparty. For the original
17 protection value and the date of original protection value, the relevant level is the
18 protection. For the probability of default, the default status of the counterparty and
19 the date of the default status of the counterparty, the relevant level is the
20 counterparty. For any other data attribute listed in Table 1, the relevant level is the
21 instrument.

22 It is sufficient to verify conditions 1
23 and 2 at observed agent level

With regard to conditions 1 and 2, if an observed agent is (1) not resident in a reporting Member State or (2) not subject to capital requirements the conditions are automatically fulfilled at all three levels, i.e. all instruments, counterparties and protection items of that observed agent fulfil the conditions.

26 Conditions 3 and 4 are verified at instrument level. Moreover, for most of the data
27 attributes listed in Table 1 of Annex II of the AnaCredit Regulation it is sufficient to
28 verify the conditions vis-à-vis a single instrument, independently of other
29 instruments.

30 To verify conditions 3 and 4 at the
31 level of the protection item, all
32 instruments secured by the
33 protection item should be
34 considered

For two data attributes (original protection value and date of original protection value), however, the conditions are verified at the level of the protection item, considering all instruments linked to the protection item concerned. More specifically, conditions 3 and 4 are fulfilled for a given protection item if the conditions are fulfilled for all instruments which the protection item secures.

35 To verify conditions 3 and 4 at the
36 level of the counterparty, all
37 instruments of which the
38 counterparty is a debtor should be
considered

For three other data attributes (probability of default, default status of the counterparty, and date of the default status of the counterparty), all instruments related to a certain counterparty are considered. More specifically, conditions 3 and 4 are fulfilled for a given counterparty if the conditions are fulfilled for all instruments

1		of which the counterparty is the debtor or the protection provider (please note that
2		the three data attributes are only required for counterparties who act as debtors or
3		protection providers).
4	Least onerous requirement	Ultimately, if any of the four conditions is fulfilled at the respective level and there is
5		an “N” or “X” in Table 1 of Annex II for the data attribute, then the data attribute is not
6		required to be reported provided that the relevant NCB considers that this data
7		attribute is not required under this condition.
8		Example 50 illustrates the derivation of the reduced reporting requirements in
9		relation to non-counterparty reference data, where the least onerous requirement
10		applies.

Example 50: Determining the least onerous requirement

Data of the observed agent *RA_1_OA_1* are reported by the reporting agent *RA_1*. The observed agent *RA_1_OA_1* is neither resident in a reporting Member State nor is subject to capital requirements under the CRR.

The observed agent holds the instrument *INST_1*, which originated before 1 September 2018. The instrument is recognised and is secured by the protection item *PROT_1_INST_1*. Please note that no additional instrument of the observed agent that originated on or after 1 September 2018 is secured by the same protection item *PROT_1_INST_1*. The counterparty *Cpty_D* is the debtor of the instrument.

In accordance with Table 1 of Annex II of the AnaCredit Regulation, the corresponding reporting requirements are summarised below. The conditions to be verified are 1, 2 and 4. Specifically, the data attributes highlighted in orange in the last column (least onerous requirement) are required unless the relevant NCB considers that they are not required to be reported. The data attribute “prudential portfolio” is not required. All other data attributes, including those not listed in the table, are required to be reported to AnaCredit.

Please note that in Table 4 below, the data attributes that are subject to reduced requirements depending on the applicability of the four cases have been highlighted in different colours:

- data attributes that may be exempted from reporting at NCBs’ discretion are highlighted in orange;
- data attributes that are not required are highlighted in green.

In addition, grey denotes those cases which are not applicable in the given situation, while all other cells (in white) indicate that no special treatment applies.

Table 4: Deriving the requirements following Example 50

	Does the condition in the header apply in the situation of Example 3 above?	Applicable	Applicable	Not applicable	Applicable	Resulting requirement
Level of application of the condition	Data attribute	1. Observed agents that are not resident in a reporting Member State	2. Observed agents not subject to capital requirements	3. Fully derecognised instruments being serviced	4. Instruments originating prior to 1 September 2018	Least onerous requirement
Instrument	Project finance loan	N				N
Instrument	Inception date	N				N
Instrument	Interest rate type	N				N
Instrument	Interest rate reset frequency	N				N
Instrument	End date of interest-only period	N			N	N
Instrument	Reference rate	N				N
Instrument	Interest rate spread/margin	N				N
Instrument	Interest rate cap	N		N		N
Instrument	Interest rate floor	N		N		N
Instrument	Amortisation type	N			N	N
Instrument	Payment frequency	N			N	N
Instrument	Fair value changes due to changes in credit risk before purchase		N	N		N
Instrument	Next interest rate reset date	N				N
Instrument	Default status of the instrument		N			N
Instrument	Date of the default status of the instrument		N			N
Instrument	Accrued interest	N				N
Instrument	Accounting classification of instruments			X		
Instrument	Sources of encumbrance		N	X		N
Instrument	Accumulated write-offs			X		
Instrument	Accumulated impairment amount			X		
Instrument	Type of impairment			X		
Instrument	Impairment assessment method			X		
Instrument	Accumulated changes in fair value due to credit risk			X		
Instrument	Performing status of the instrument		N			N
Instrument	Date of the performing status of the instrument		N			N
Instrument	Provisions associated to off-balance sheet exposures			X		
Instrument	Date of the forbearance and renegotiation status				N	N
Instrument	Prudential portfolio		X	X		X
Instrument	Carrying amount			X		
Protection and instrument	Protection original value				N	N
Protection and instrument	Protection original valuation date				N	N
Counterparty	Probability of default		N	N		N
Counterparty	Default status of the counterparty		N	N		N
Counterparty	Date of the default status of the counterparty		N	N		N

- 1 The conditions that determine whether or not a certain data attribute in Table 1 of Annex II is required should be verified on a regular basis not only for the initial transmission of the data
- 2
- 3
- 4
- 5

Please note that whether or not a certain data attribute listed in Table 1 of Annex II of the AnaCredit Regulation is required to be reported depends on which conditions apply on a given reporting reference date. Therefore, should the applicability of any of these conditions change over time, the reporting status of a given data attribute is updated accordingly.

While the explanation above focuses on the determining which data attributes are actually subject to reduced reporting requirements in a given situation, the following sections discuss the specific cases referred to in Annex II of the AnaCredit Regulation.

7.4.1 Observed agents that are not resident in a reporting Member State

With regard to Case 1 as referred to in Annex II of the AnaCredit Regulation, in accordance with Article 6(2) data of observed agents both resident and non-resident in a reporting Member State are generally subject to AnaCredit reporting. This means that reporting agents which comprise several institutional units (the domestic part and any foreign branches) are responsible for reporting data relating to all these institutional units.

Pursuant to Article 6(4), the relevant NCB may decide not to collect information with regard to non-resident foreign branches

However, the AnaCredit Regulation provides that the relevant NCB may either (a) not collect any data of non-resident observed agents at all, pursuant to Article 6(4), or (b) limit the scope of the collection from non-resident observed agents by not collecting data attributes marked as “N” in Table 1 of Annex II under Case 1, pursuant to Article 7.

In both cases, non-resident observed agents are those institutional units of reporting agents which are not located in a reporting Member State. These can only be foreign branches located in a country which is not a reporting Member State.

In line with Article 1(1), and as explained in Chapter 2, a reporting Member State means either:

- a European Union Member State whose currency is the euro;
- a Member State of the European Union whose currency is not the euro that joins AnaCredit on a voluntary basis.

Consequently, all observed agents which are not located in a reporting Member State are considered to be non-resident observed agents.

Conversely, no observed agent for which the data attribute “address: country” in the counterparty reference data is reported as a reporting Member State fulfils the condition “observed agents that are not resident in a reporting Member State”.

7.4.2 Observed agents not subject to capital requirements

Under Case 2, instruments may be subject to less stringent requirements provided that the observed agent whose activity as creditor or servicer is reported:

- (a) is not (a legally dependent part of) a credit institution subject to the CRR;
- (b) is a foreign branch of a credit institution not subject to the CRR.

As explained above, the applicability of this condition can be sufficiently verified at the level of the observed agent without considering individual instruments.

The CRR only applies to credit institutions; no foreign branches of credit institutions are covered by this Regulation. Please note that foreign branches (or any branch offices in general) are not directly subject to the CRR or to the CRD IV because a (foreign) branch is a legally dependent part of a legal entity and thus may not be addressed by the CRR directly. Please note also that if a credit institution does not have any foreign branches, its (only) observed agent (i.e., the domestic part) is the credit institution itself.

Effectively, given the reporting population and the reference population as defined in the AnaCredit Regulation, all observed agents are legally dependent parts of credit institutions and the only applications of Case 2 are thus (a) in the case of a foreign branch resident in a reporting Member State of a credit institution that is resident outside the European Union and (b) in the case of credit institutions (as defined in the CRR) which are exempt from supervision under Article 2(5) of the CRD IV.

7.4.3 Fully derecognised instruments being serviced

With regard to Case 3 referred to in Annex II of the AnaCredit Regulation, it should be clarified that the scope of fully derecognised instruments being serviced corresponds to instruments serviced but not held by the observed agent for which the data attribute “balance sheet recognition” takes the value “entirely derecognised”.

Revision mark: this section is expanded with examples of instruments that meet the definition of fully derecognised instruments being serviced and of instruments that do not meet this definition

In particular, fiduciary loans which are not treated as assets by a trustee which is the observed agent, as well as intracompany loans and fully transferred instruments (for example being subject to traditional securitisations or other transfers), are always treated as “fully derecognised loans being serviced” in accordance with Annex II of the AnaCredit Regulation (cf. Section 5.4.2 in Part II of the Manual).

However, fully written-off loans which are held by the observed agent and are not recognised in the balance sheet (i.e. the data attribute “balance sheet recognition” is reported as “entirely derecognised”) do not meet the definition of “fully derecognised instruments being serviced” in accordance with Annex II of the AnaCredit Regulation (cf. Section 5.2.2.2 for more information concerning written-off instruments).

In other words, “fully derecognised instruments being serviced” and “entirely derecognised instruments” are related but not fully overlapping terms. Please refer to Section 5.4.2 in Part II of the Manual for more details regarding the difference between the two terms.

Conversely, no instrument, which is serviced but not held by the observed agent, for which the data attribute “balance sheet recognition” is reported as “entirely recognised” or “recognised to the extent of the institution’s continuing involvement” meets the condition “fully derecognised instruments being serviced”. In particular, fiduciary instruments which are assets of the observed agent under the relevant accounting standard or instruments which are transferred but not derecognised do

1 not meet the condition “fully derecognised instruments being serviced” as referred to
 2 in Annex II of the AnaCredit Regulation.

7.4.4 Instruments originating prior to 1 September 2018

3 An instrument qualifies as an instrument originating prior to 1 September 2018 if the
 4 inception date reported for the instrument in the data attribute “inception date” is
 5 before 1 September 2018. Conversely, instruments for which the inception date
 6 reported to AnaCredit is on or after 1 September 2018 do not meet the condition
 7 “instruments originating prior to 1 September 2018”.

8 Contract changes do not lead to a The application of the condition relies by and large on the inception date of an
 9 change in the inception date instrument (cf. Section 3.4.4 in Part II of the Manual). It should be made clear,
 10 therefore, that a modification in the conditions of an (existing) instrument triggers a
 11 renegotiation (or forbearance); the inception date of the instrument is not changed. In
 12 other words, unless the old contract is cancelled and a new one issued instead,
 13 contract changes do not lead to a change in the inception date – changes in the
 14 contract are flagged in the respective data attributes and the date of their occurrence
 15 is captured by the data attribute “date of status of forbearance and renegotiation”.

16 Identification of renegotiated and Please note that AnaCredit distinguishes between renegotiation and forbearance. In
 17 forborne instruments is flagged via both cases there is an agreement between the creditor and the debtor to amend
 18 the data attribute “status of terms and conditions of the original contract, but renegotiation refers only to changes
 19 forbearance and renegotiation” under normal market conditions.

20 A renegotiation is triggered whenever the financial conditions of the instrument are
 21 contractually changed. A change qualifies as a contractual change in financial
 22 conditions whenever the parties involved agree, in legally binding terms, that the
 23 payments and risks born in relation to the instrument change (cf. Section 5.4.12 in
 24 Part II of the Manual, which deals specifically with the status of forbearance and
 25 renegotiation).

26 Consequently, extending the legal final maturity date of an instrument triggers a
 27 renegotiation (or forbearance) but does not trigger a change in the instrument's
 28 inception date.

29 The inception date for unauthorised The inception date for an unauthorised overdraft (i.e. a debit balance on a current
 30 overdrafts existing as of a reporting account with no credit limit) is the date on which the overdraft arose (the latest such
 31 reference date is the date on which date). In other words, for unauthorised overdrafts the inception date is the settlement
 32 the overdraft arose, not the date (i.e. the disbursement date) – discussed in more detail in Section 3.4.1 of Part II
 33 origination date of the underlying of the Manual, which deals specifically with the instrument dataset) – and not the
 34 current account date of the contract under which the associated current account was originated.

8 Derogations and reduced reporting frequency for small reporting agents

Reporting agents are in principle subject to the full reporting requirements set out in the Annex I of the AnaCredit Regulation, which specify the minimum requirements that reporting agents should meet to satisfy the ECB's reporting requirements for AnaCredit.

However, to ensure the proportionality of the reporting obligations established in the AnaCredit Regulation, there is scope for NCBs to exempt – or partially exempt – certain reporting agents from these obligations.

In particular, the AnaCredit Regulation distinguishes between (i) small reporting agents to whom derogations may be applicable pursuant to Article 16(1) and (ii) small reporting agents that may temporarily report on a quarterly basis pursuant to Article 16(2).

In the case of small reporting agents subject to derogations, the relevant NCB will determine (a) the reporting agents to which derogations apply and (b) the requirements that the reporting agents should meet to satisfy the ECB's reporting requirements for AnaCredit.

With regard to small reporting agents exempt from the monthly reporting, the relevant NCB will determine which reporting agents are allowed to report on a quarterly instead of a monthly basis for a fixed period of time until 1 January 2021.

Revision mark: a reference to Article 15 of the AnaCredit Guideline is added

For more information concerning the application of derogations for small reporting agents, see the AnaCredit Guideline.

Reporting agents which are not subject to derogations pursuant to Article 16(1) of the AnaCredit Regulation or which do not report on a quarterly instead of a monthly basis pursuant to Article 16(2) are in principle subject to the full reporting requirements in accordance with Article 6(1). These reporting agents may nevertheless be exempted, at NCBs' discretion and to the extent provided for in the AnaCredit Regulation, from fulfilling certain requirements as specified in Annex II and Annex III of the AnaCredit Regulation (cf. Chapter 7).

Revision mark: a reference to the first reporting reference date is removed

8.1 Small reporting agents subject to derogations

The AnaCredit Regulation provides that certain reporting agents may, at NCBs' discretion, be entirely or partially exempted from the reporting obligations.

1		In line with the principle of proportionality, the AnaCredit Regulation allows NCBs to
2		grant derogations to avoid imposing an undue reporting burden, particularly on small
3		reporting agents with limited total credit exposure.
4		For each reporting Member State, there is scope within the AnaCredit Regulation to
5		grant such derogations to a subset of reporting agents provided that the total amount
6		of loans reported pursuant to the BSI Regulation by such reporting agents does not
7		exceed 2% of the overall amount of loans reported pursuant to the BSI Regulation in
8		a given reporting Member State.
9	The granting of derogations is at	The granting of derogations is at the discretion of the relevant NCB, which will
10	the discretion of the relevant NCB	determine, obeying the materiality threshold of 2%, (a) the reporting agents to which
11		derogations apply and (b) the requirements (if any) that the reporting agents should
12		meet to satisfy the ECB's reporting requirements for AnaCredit.
13		The granting of derogations is always discretionary and never mandatory.
14	The materiality threshold of 2% is	The relevant NCB may establish a subset of reporting agents subject to derogations.
15	unrelated to the actual type of	In doing so, the relevant NCB considers the overall amount of loans reported in
16	instruments to be reported to	accordance with the BSI Regulation, including loans and debtors that fall outside in
17	AnaCredit	the scope of AnaCredit.
18	Reference to the outstanding	In other words, there is no requirement to adhere strictly to the scope of AnaCredit
19	amount of loans of credit institutions	when defining the population of small reporting agents. On the contrary, it is
20	received in the context of Monetary	sufficient for NCBs to solely use the information reported pursuant to the BSI
21	Financial Institutions balance sheet	Regulation when identifying the reporting agents whose cumulative amount of loans
22	statistics as referred to in	does not account for more than 2% of the overall amount of loans reported in a given
23	Regulation (EU) No 1071/2013	reporting Member State. Not requiring data which adheres closely to the scope of
24		AnaCredit makes the process simpler and more transparent, and most importantly
25		means that reporting agents potentially subject to derogations do not have to
26		prepare relevant data as if they had to report to AnaCredit.
27	The scope of derogations is left to	The relevant NCB may exempt small reporting agents entirely from the obligation to
28	the discretion of the relevant NCB.	report to AnaCredit (full derogations) or may exempt small reporting agents from
29	Derogations may cover all or only	certain requirements only (partial derogations).
30	certain reporting requirements	
31		In line with Article 16(4) of the AnaCredit Regulation, NCBs will inform reporting
32		agents if they have been granted a derogation and what the respective requirements
33		are (if any).
34		Furthermore, reporting agents that no longer fulfil the conditions for receiving a
35		derogation will be informed by the relevant NCB about their reporting obligations at
		least 18 months before the first reporting reference date for which they report data.

8.2 Small reporting agents reporting on a quarterly basis

36	The AnaCredit Regulation provides that certain reporting agents may be temporarily
37	exempted from the obligation to report on a monthly basis, at NCBs' discretion.

1	The application of this exemption is always discretionary and never mandatory	Specifically, in line with Article 16(2) small reporting agents in a given reporting Member State may report on a quarterly basis until the end of 2020 provided that the total outstanding amount of loans of such institutions (as reported in accordance with the BSI Regulation does not exceed 4% at national level.
2		
3		
4		
5	Derogations from reporting on a monthly basis are at the discretion of the relevant NCB	The AnaCredit Regulation leaves it up to the relevant NCB to determine whether a certain reporting agent may report on a quarterly instead of monthly basis.
6		
7	The materiality threshold of 4% is unrelated to the actual type of instruments to be reported to AnaCredit	In doing so, the relevant NCB considers the overall amount of loans reported in accordance with the BSI Regulation, including loans that fall outside the scope of AnaCredit.
8		
9		
10	Reference to the outstanding amount of loans of credit institutions received in the context of MFI balance sheet statistics as referred to in Regulation (EU) No 1071/33	Accordingly, when initially defining the population of small reporting agents that may report on a quarterly basis it is sufficient for NCBs to solely use the information reported pursuant to the BSI Regulation when identifying the reporting agents whose cumulative amount of loans does not account for more than 4% of the overall amount of loans reported in a given reporting Member State.
11		
12		
13		
14		
15		The reduced reporting frequency exemption is only available temporarily – no reporting agent may be exempted in accordance with Article 16(2) from the monthly reporting of data relating to reporting reference dates from 31 January 2021 onwards.
16		
17		
18		
19	The same reporting agent is not expected to be subject to both derogations and reduced reporting frequency	The application of derogations in line with Article 16(1) and the application of quarterly reporting pursuant to Article 16(2) are mutually independent, i.e. the relevant NCB may establish one set of small reporting agents subject to derogations, obeying the materiality threshold of 2%, and another set of small reporting agents exempted from reporting on a quarterly basis, obeying the materiality threshold of 4%. Please note that the materiality threshold of 4% is the combined contribution of the two possible types of derogations since quarterly derogations may be granted to small reporting agents that are eligible for derogations in accordance with Article 16(1) but are not granted any derogation.
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21		
22		
23		
24		
25		
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27		
28	Being exempted from reporting on a monthly basis means that only data valid as of the end of each quarter have to be reported	Quarterly reporting means that small reporting agents are only required to report data for quarter-end reporting reference dates (i.e. 31 March, 30 June, 30 September and 31 December) and are exempted from reporting data for non-quarter-end reporting reference dates (i.e. 31 January, 28/29 February, 30 April, 31 May, 31 July, 31 August, 31 October and 30 November).
29		
30		
31		
32		
33		This means that small reporting agents who are subject to reporting on a quarterly instead of a monthly basis send data to AnaCredit in relation to four (4) instead of twelve reporting reference dates each year.
34		
35		
36	Revision mark: former Figure 3 is dropped and a reference to Table 3 is provided instead	The AnaCredit Regulation does not provide for any additional exemption for small reporting agents that are exempted from the obligation to report on a monthly basis, other than in the general case. This means that, in spite of reporting only quarterly, reporting agents are expected to report data for the quarter-end reporting reference dates (31 March, 30 June, 30 September and 31 December) in accordance with the general requirements regarding the scope and quality of data and the transmission
37		
38		
39		
40		
41		

1 timelines. Please refer to Table 3 for details regarding the reporting method,
2 frequency and timeliness per report and residency status.

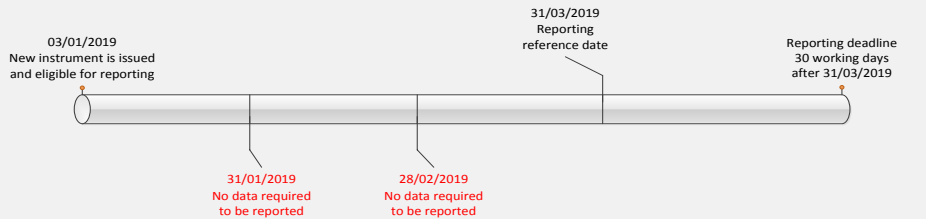
3 An example of the obligation of a reporting agent exempted by the relevant NCB
4 from reporting on a monthly basis is provided in the box below.

Example 51: When to report – timeliness for small reporting agents exempted from monthly reporting

A reporting agent is exempted by the relevant NCB from reporting on a monthly basis. This example concerns the instrument dataset.

On 3 January 2019 a new instrument is issued by a resident observed agent whose data is reported by the reporting agent. The instrument exists as of the end of January, February and March, and also thereafter.

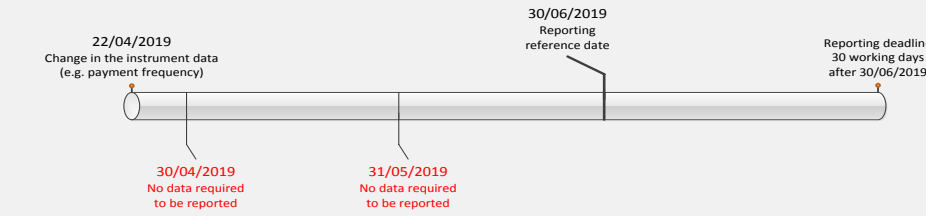
In line with the exemption from reporting data on a monthly basis, the instrument need not be reported as of 31 January and 28 February, so the reporting agent is obliged to report the instrument for the first time as of the end of March. The timeline for reporting the instrument to AnaCredit is within 30 working days after 31 March 2019.



Please note that in addition to the instrument dataset, the reporting agent is also obliged to submit the other datasets (timeliness: within 30 working days after 31 March 2019 apart from the accounting dataset for which a timeline of 15 working days of the corresponding ITS remittance date applies).

Returning to the instrument dataset, a change in one data attribute is acknowledged by the observed/reporting agent on 22 April 2019. This change relates to an instrument already reported to AnaCredit.

Although the change is actually already in effect as of 30 April 2019, the reporting agent is only required to update the data as of the end of June 2019 as this is the earliest reporting reference date for which the reporting agent is required to report. The timeline for reporting the change in the instrument dataset is within 30 working days after 30 June 2019.



5 *Revision mark: this paragraph is*
6 *adjusted in line with the*
7 *clarifications provided in Section*
8 *5.2.2 and Q&A 2017/0002*

With regard to the reporting of written-off instruments in the case of small reporting agents allowed to report on a quarterly instead of a monthly basis, it is clarified that extended quarter-end reporting of instruments which incur a write-off implies that such instruments are reported for one additional reporting reference date which is

1 the end of the quarter in which the write-off was incurred, while no data are reported
 2 for the reporting reference dates which are not quarter-end dates but fall between
 3 the date of the write-off and the end of the quarter (cf. Section 5.2.2 for more
 4 information regarding the reporting of written-off instruments).

5 *Revision mark: this example is*
 6 *updated in line with the*
clarifications provided in Section
5.2.2 and Q&A 2017/0002

Example 52 illustrates extended quarter-end reporting in the case of small reporting agents reporting on a quarterly instead of a monthly basis.

Example 52: Reference period for quarter-end reporting reference dates relevant for small reporting agents reporting on a quarterly basis

This example looks at how to establish the reporting obligation concerning instruments that incur a write-off in the case of small reporting agents reporting on a quarterly instead of a monthly basis:

- An instrument is fully written-off as of 15 September 2018. In this case, the reporting agent still reports the instrument for reporting reference date 30 September 2018.
- An instrument is fully written-off as of 22 October 2018. In this case, the reporting agent still reports the instrument for reporting reference date 31 December 2018. The reporting agent does not report the instrument as of 31 October 2018 or 30 November 2018.

For more information regarding the reporting of written-off instruments, please refer to Section 5.2.2.2.1.

7 *In accordance with Article 13(3),*
 8 *reporting agents will be informed*
 9 *about their mandatory reporting*
 10 *frequency in good time*

In accordance with Article 16(4), the relevant NCB will inform reporting agents in good time about whether they have been exempted from reporting on a monthly basis for a fixed period of time. The relevant NCB will also inform reporting agents in good time if they no longer fulfil the conditions for reduced reporting frequency in line with Article 16(2) of the AnaCredit Regulation.

Glossary

Revision mark: the glossary is expanded with additional terms/acronyms

Term/acronym	Description/definition
Agent: observed agent	An observed agent is an institutional unit whose activity as creditor or servicer is reported by the reporting agent. The observed agent is either: a) the institutional unit resident in the same country as the reporting agent of which it forms part; or b) a reporting agent's foreign branch, resident in a reporting Member State; or c) a reporting agent's foreign branch, non-resident in a reporting Member State. [Article 1(9) of the AnaCredit Regulation]
Agent: reporting agent	A reporting agent is either a credit institution or a foreign branch of a credit institution that is resident in a reporting Member State and that is subject to the ECBs reporting requirements pursuant to the AnaCredit Regulation (Regulation (EU) No 2016/867). [Article 1(8) of the AnaCredit Regulation]
Branch: branch office	A branch office is an individual place of business which forms a legally dependent part of an institution and which carries out directly all or some of the transactions inherent in the business of the institution. [Article 4(1)(17) of Regulation (EU) No 575/2013]
Branch: foreign branch	A foreign branch is an institutional unit which is a legally dependent part of a legal entity resident in a different country to that where the legal entity is incorporated in accordance with the concept of a "single branch" referred to in Article 2(3) of Regulation (EC) No 2533/98. [Article 1(4) of the AnaCredit Regulation]
Branch: resident foreign branch of a credit institution	A resident foreign branch of a credit institution is a foreign branch (see foreign branch above) operating within a reporting Member State, of either a resident credit institution or a credit institution resident outside of any reporting Member States.
Branch: single branch	A single branch is any number of branch offices set up in the same country. See also institutional unit below. [Article 2(3) of Regulation (EC) No 2533/98]
Commitment amount	The commitment amount of an instrument is the sum of the data attributes "outstanding nominal amount" and "off-balance-sheet amount" of the instrument at a given date. [Article 1(25) of the AnaCredit Regulation]

Commitment amount: debtor's commitment amount	A debtor's commitment amount is the sum of the commitment amounts for all eligible instruments of the debtor in relation to the observed agent. [Article 5(2) of the AnaCredit Regulation]
Contract	A contract is a legally binding agreement between two or more parties under which one or multiple instruments are created. [Article 1(22) of the AnaCredit Regulation]
Counterparty	A counterparty is an institutional unit that is a party to an instrument or has an affiliation with a party to an instrument. [Article 1(10) of the AnaCredit Regulation]
Credit institution	A credit institution is as defined in Article 4(1)(1) of Regulation (EU) No 575/2013, i.e. an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account. [Article 1(10) of the AnaCredit Regulation and Article 4(1)(1) of Regulation (EU) No 575/2013]
Credit institution: resident credit institution	A credit institution that is resident in a reporting Member State.
Credit risk	Credit risk is the risk that a counterparty will fail to make any payments that it is contractually obliged to make. [Article 1(21) of the AnaCredit Regulation]
Creditor	A creditor is the counterparty bearing the credit risk of an instrument, other than a protection provider, i.e. it has the right to receive payments arising under the instrument from the debtor (see debtor below) [Article 1(11) of the AnaCredit Regulation]
Data: conceptual data model	A conceptual data model is a representation of the data structures that are required by a database, focusing on which data will be stored and how they are organised. Conceptual data models provide information for both the end-users of the information and the developers of the database, because they allow the structure and requirements of a database to be known and understood in a simple but complete way. [Part I, Section 6.1 of the AnaCredit Reporting Manual]
Data: data attribute	A data attribute is an individual characteristic relating to credit, protection or counterparty which is collected and registered in a database. [Part I, Section 6.2.2 of the AnaCredit Reporting Manual]
Data: dynamic data	Dynamic data are data that typically change or change relatively frequently. [Part I, Section 6.3.2 of the AnaCredit Reporting Manual]

Data: entity table	An entity table is any of the distinct parts into which the data attributes to be reported to a database are grouped on the basis of their nature. An entity table is divided in two or more datasets when its data attributes are reported at different frequencies or using different methodologies. [Part I, Section 6.2 of the AnaCredit Reporting Manual]
Data: foreign key	A foreign key is the combination of one or more identifiers in an entity table that uniquely identifies a row of another entity table. [Part I, Section 6.2.2.1 of the AnaCredit Reporting Manual]
Data: identifier	An identifier is an identifying data attribute that, alone or in combination with other identifiers, ensures that each record or entry can be (uniquely) identified in an entity table. Identifiers help to maintain data integrity and to identify relationships between datasets. [Part I, Section 6.2.2.1 of the AnaCredit Reporting Manual]
Data: logical data model	A logical data model adds detail to a conceptual data model: (a) including all necessary entity tables and relationships between them; (b) specifying the data attributes of each entity table; (c) specifying a primary key for each entity table; and (d) specifying the foreign keys necessary to identify the relationship between different entity tables. The logical data model also involves normalisation, which is the process of removing redundancy in an entity table. Normalisation typically occurs by dividing an entity table into two or more parts and defining relationships between them. The purpose of this is to replace many-to-many relationships in the conceptual model with one-to-many relationships, which is achieved by introducing bridging tables. [Part I, Section 6.2 of the AnaCredit Reporting Manual]
Data: primary key	A primary key is the combination of one or more identifiers that uniquely identifies one occurrence (record) in an entity table. [Part I, Section 6.2.2.1 of the AnaCredit Reporting Manual]
Data: reportable dataset	A reportable dataset is a group of data attributes included in an entity table that are reported jointly to a database (i.e. with the same frequency and methodology of reporting). [Part I, Section 2.3.2 of the AnaCredit Reporting Manual]
Data: static data	Static data are data that typically do not change or change relatively infrequently. [Part I, Section 6.3.2 of the AnaCredit Reporting Manual]
Debtor	A debtor is the counterparty which has the unconditional obligation to make repayments arising under the instrument. [Article 1(12) of the AnaCredit Regulation]

Domestic part (of a legal entity)	In line with the principle of reporting on an individual basis, the domestic part of a legal entity is an institutional unit which is a legally dependent part of the legal entity in the same country as that where the legal entity is established. The domestic part (of a legal entity) comprises the headquarters and branch offices resident in the same country as the headquarters. [Part I, Section 3.4.1.2 of the AnaCredit Reporting Manual]
Financial vehicle corporation (FVC)	An FVC is a financial vehicle corporation engaged in securitisation transactions, as defined in Article 1(1) and (2) of Regulation (EU) No 1075/2013 (ECB/2013/40).
Granular reporting of credit	Granular reporting of credit to AnaCredit refers to the compilation and reporting of data on the basis of individual instruments. In practice, the granular reporting of credit means that data is compiled at granular level, considering individual information about each instrument, the protection securing it and the related counterparties as well as about how the three are interconnected with one another (see also: individual basis). [Part I, Section 6.1.1 of the AnaCredit Reporting Manual]
Headquarters	The headquarters is the place of business that serves as the administrative centre of an enterprise. Its tasks include overseeing and managing other units of the enterprise, undertaking strategic or organisational planning and decision-making, exercising operational control and managing the day-to-day operations of the related units. [Part I, Section 2.1.3.1 of the AnaCredit Reporting Manual]
IFRS	IFRS stands for International Financial Reporting Standards as applicable under Regulation (EC) No 1606/2002.
Individual basis: reporting on an individual basis	Reporting on an individual basis refers to reporting in respect of a single institutional unit and covers all institutional units that are part of a legal entity (see also: granular reporting of credit). This means that loans exchanged between institutional units of a legal entity are, in principle subject to reporting to AnaCredit. [Article 1(26) of the AnaCredit Regulation]
Institutional unit	Institutional unit is as defined in paragraphs 2.12 and 2.13 of Annex A to Regulation (EU) No 549/2013, i.e. it is an economic entity characterised by decision-making autonomy in the exercise of its principal function. A legal entity consists of one or more institutional units, including the domestic part of the legal entity and each of its foreign branches, if any. [Article 1(3) of the AnaCredit Regulation and paragraphs 2.12 and 2.13 of Annex A to Regulation (EU) No 549/2013]
Instrument	An instrument is any item specified in the data attribute “type of instrument” as defined in Annex IV of the AnaCredit Regulation. [Article 1(23) of the AnaCredit Regulation]

Instrument: eligible instrument	An eligible instrument is an instrument that meets all of the following conditions on a month-end date: - the instrument is one of the types of instrument under Article 1(23) of the AnaCredit Regulation; - the instrument satisfies any of the conditions of Article 4(1)(a)(i)-(iv) of the AnaCredit Regulation; - at least one debtor of the instrument is a legal entity or part of a legal entity as referred to in Article 1(5) of the AnaCredit Regulation. [Part I, Section 5.1 of the AnaCredit Reporting Manual]
Instrument: fiduciary instrument	A fiduciary instrument is an instrument in relation to which a credit institution acts in its own name but on behalf of, and with the risk borne by, a third party. Fiduciary instruments are usually operations in which a credit institution acts as an intermediary between a financing body (generally a public authority) and the beneficiary of the credit. [Annex IV to the AnaCredit Regulation]
Instrument: qualifying instrument	A qualifying instrument is an eligible instrument at a month-end date where the debtor's commitment amount is equal to or exceeds €25,000 or the equivalent foreign currency amount (cf. Article 5 of the AnaCredit Regulation). [Part I, Section 5.1 of the AnaCredit Reporting Manual]
Intracompany loans	Intracompany loans are instruments exchanged between different institutional units of the same legal entity – i.e. between the domestic part and a foreign branch of a legal entity or between two foreign branches of the same legal entity. [Part I, Section 4.6.5.1 of the AnaCredit Reporting Manual]
Legal entity	A legal entity is any entity which, under the national law to which it is subject, can acquire legal rights and obligations. [Article 1(5) of the AnaCredit Regulation]
Legal entity identifier (LEI)	A legal entity identifier (LEI) is an alphanumeric reference code in line with the ISO 17442 standard (4) assigned to a legal entity. [Article 1(6) of the AnaCredit Regulation]
Month-end	Month-end is the last calendar day of a month, i.e. 31 January, 28 February (or 29 February in leap years), 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November or 31 December. [Part I, Section 5.1 of the AnaCredit Reporting Manual]

NACE	NACE (from the French “<i>nomenclature statistique des activités économiques dans la Communauté européenne</i>”) is a common statistical classification of economic activities in the European Community (the current version is NACE Rev. 2). NACE ensures that Community classifications are relevant to the economic reality and enhances the comparability of national, Community and international classifications and, hence, of national, Community and international statistics. [Article 1(1) of Regulation (EC) No 1893/2006]
National central bank (NCB)	National central bank (NCB) refers to the national central banks of Member States of the European Union. [Article 1(15) of the AnaCredit Regulation]
Originator	An originator is the counterparty in a securitisation transaction as defined in Article 1(3) of Regulation (EU) No 1075/2013 (ECB/2013/40); i.e. an originator is the transferor of an instrument or pool of instruments, and/or of the credit risk of the instrument or pool of instruments to the securitisation structure. [Annex IV to the AnaCredit Regulation and Article 1(3) of Regulation (EU) No 1075/2013 (ECB/2013/40)]
Protection	Protection is an assurance or coverage against a negative credit event, by means of any item listed in the data attribute “type of protection” as defined in Annex IV of the AnaCredit Regulation. [Article 1(24) of the AnaCredit Regulation]
Protection provider	A protection provider is the counterparty that grants protection against a contractually agreed negative credit event and that bears the credit risk of the negative credit event. [Article 1(13) of the AnaCredit Regulation]
Quarter-end	Quarter-end is the last calendar day of a quarter of a year, i.e. 31 March, 30 June, 30 September or 31 December. [Part I, Section 5.1 of the AnaCredit Reporting Manual]
Reference population	The reference population is the set of all observed agents whose credit data are reported to AnaCredit, i.e. all observed agents are jointly referred as the reference population. [Part I, Sections 2.2.1 and 2.2.3 of the AnaCredit Reporting Manual]
Reporting Member State	A reporting Member State is an EU Member State whose currency is the euro. A Member State whose currency is not the euro may also decide to become a reporting Member State by incorporating the provisions of the AnaCredit Regulation into their national law or otherwise imposing relevant reporting requirements in accordance with their national law; this may include, in particular, Member States that participate in the SSM via close cooperation in accordance with Article 7 of Council Regulation (EU) No 1024/2013. [Article 1(1) of the AnaCredit Regulation]

Reporting population	The reporting population is the set of reporting agents which are obliged to report according to the AnaCredit Regulation. Reporting agents report credit data on an individual basis in accordance with Articles 4 and 6 of the AnaCredit Regulation. The actual reporting population consists of resident credit institutions and resident foreign branches of credit institutions, regardless of whether or not they are institutions supervised under Directive 2013/36/EU. [Article 3(1) of the AnaCredit Regulation]
Reporting reference date	The reporting reference date is the last day of the month to which the data relate. [Part I, Section 5.1 of the AnaCredit Reporting Manual]
Reporting reference period	The reporting reference period (for a given reporting reference date) is the period that starts on the last reporting reference date of the quarter preceding the reporting reference date and ends on the reporting reference date. [Article 4(2) of the AnaCredit Regulation]
Resident	Resident is as defined in Article 1(4) of Regulation (EC) No 2533/98; i.e. resident and residing mean having a centre of economic interest in the economic territory of a country as described in Annex A of Regulation (EC) No 2533/98. [Article 1(2) of the AnaCredit Regulation and Article 1(4) of Regulation (EC) No 2533/98]
Servicer	A servicer is the counterparty responsible for the administrative and financial management of an instrument. [Article 1(14) of the AnaCredit Regulation]
Special fund	A special fund is an unincorporated investment fund comprising investment portfolios owned by the group of participants, and whose management is undertaken, in general, by other financial corporations. Such funds are institutional units, separate from the managing financial corporation. [Part I, Section 3.4.1.3.1 of the AnaCredit Reporting Manual]
Sub-fund	A sub-fund is a segregated part of an investment fund whose shares/units are independently backed by different assets. Each sub-fund of a special fund is considered as independent investment fund in accordance with Article 4.2 of Regulation (EU) No 1075/2013. [Part I, Section 3.4.1.3.1 of the AnaCredit Reporting Manual]
Undertaking: head office undertaking	A head office undertaking is the domestic part of the legal entity of which the foreign branch is a legally dependent part. [Annex IV to the AnaCredit Regulation]
Undertaking: immediate parent undertaking	An immediate parent undertaking is (the domestic part of) a legal entity which is the immediate parent undertaking of the legal entity of which the counterparty forms part. [Annex IV of the AnaCredit Regulation]

Undertaking: ultimate parent undertaking	An ultimate parent undertaking is (the domestic part of) the legal entity which is the ultimate parent undertaking of the legal entity of which the counterparty forms part. This ultimate parent undertaking has no parent undertaking. [Annex IV of the AnaCredit Regulation]
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References to legal acts

Regulation / Directive / Guideline No	Official title
(EU) 2016/867 (ECB/2016/13)	Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13)
(EU) 2017/2335 (ECB/2017/38)	Guideline (EU) 2017/2335 of the European Central Bank of 23 November 2017 on the procedures for the collection of granular credit and credit risk data (ECB/2017/38)
(EU) 2018/876 (ECB/2018/16)	Guideline (EU) 2018/876 of the European Central Bank of 1 June 2018 on the Register of Institutions and Affiliates Data (ECB/2018/16)
(EU) 2014/810 (ECB/2014/15)	Guideline of the European Central Bank of 4 April 2014 on monetary and financial statistics (recast) (ECB/2014/15) (2014/810/EU)
(EU) No 1071/2013 (ECB/2013/33)	Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2013/33)
(EU) No 549/2013	Regulation (EU) No 549/2013 of the European Parliament of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union
(EU) No 575/2013	Regulation (EU) No 575/2013 of the European Parliament of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
2013/36/EU	Directive 2013/36/EU of the European Parliament of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC
(EU) No 680/2014	Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (as amended by Commission Implementing Regulation (EU) No 2017/1443 of 29 June 2017)
(EU) No 648/2012	Regulation (EU) No 648/2012 of the European Parliament of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

(EC) No 2533/98	Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank
(EU) No 1075/2013 (ECB/2013/40)	Regulation (EU) No 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (recast) (ECB/2013/40)
(EC) No 1893/2006	Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains
(EU) No 1024/2013	Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions

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Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu

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