

CKO2: Presentation for participants

Business aspects

Updated on 01 August 2010



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ Outputs
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Scope

▶ Stakeholders

- NBB/(CBFA)
 - CKO
 - Financial Stability
 - Banking supervision
 - Statistics
 - Micro-economic information
- Authorities - Legal aspects (New law & Royal Decree are being written to benefit from a unique view & clear texts regarding the CCCR)
 - FPS Finances
 - FPS Economy



Scope

▶ Stakeholders

● Participants

- Credit institutions (103) - Licensed by CBFA
- Insurances companies (31) - Licensed by CBFA
 - ◆ Guarantee
 - ◆ Credit insurance
- Factoring companies (5)
- Leasing companies (about 138) - RD no. 55 of 10/11/1967 - Licensed by the Federal public service "Economy"

▶ Debtors



Scope

▶ Product & services

- Collection of granted credits
- Consultation of reported data
- Several outputs
 - Return flow (Automatic & Repertorium)
 - Statistics
 - Specific (on demand or provided by back office CCCR)
- Messages



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ Outputs
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Features

▶ IT

- Network communication
 - A2A - Webservices (through OneGate¹ or direct to CKO2)
 - U2A
 - ◆ File upload/download (through OneGate)
 - ◆ Interactive data entry (through OneGate)
 - ◆ Web application for consultation (direct to CKO2)
- XML Format
- Security (Digital certificate class 3)
- Large opening hours
- Reported credit data processed during the night (DB content frozen for consultation during a same day)

¹ OneGate replacing the current portal CSSR



Features

- ▶ **No threshold** (<-> 25 000 EUR in CKO1)
- ▶ Availability of credit data
 - in the production database: **12 months**
 - in a data warehouse for statistical purposes
- ▶ Stress on the use of official identification numbers
 - Enterprise number
 - **National Register of Natural Persons N°.**



Features

▶ New data <--> CKO1

- Probability of default on 1 year
- Collateral amount
- Default of payment: 2 types to be reported ("90 days past due" AND "Unlikely to pay")
 - Date (of first default)
 - Total amount
- Credit maturity
 - Initial & Residual
 - ◆ ≤ 1 y
 - ◆ > 1 y & ≤ 2 y
 - ◆ > 2 y & ≤ 5 y
 - ◆ > 5 y



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ Outputs
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Report - By type of participant

	Credit institution	Guarantee insurer	Credit insurer	Factoring company	Leasing company
DEBTORS					
For who?	Residents + Non-residents	Residents only			
	Legal entities & natural persons				
CREDITS					
Main principles	<ul style="list-style-type: none"> • Granted in BE or by branches abroad • Valuation rules as for periodical accounts (cf CKO1) • Based on schema A • Securized credits still managed by participant included 	<ul style="list-style-type: none"> • Granted in BE • Cf CKO1 	<ul style="list-style-type: none"> • Extended in BE • Cf CKO1 	<ul style="list-style-type: none"> • Extended in BE to factor's clients • Advances with own funds • With or without recourse 	<ul style="list-style-type: none"> • Financial leasing • Extended in BE • Activated contracts • Movables & immovables • In accordance with BE GAAP
NOT	Credits granted to : <ul style="list-style-type: none"> - credit institutions - some international institutions - already registered in CR for private individuals - other consumer credits & mortgage for private purposes 				

Report - Credit breakdown

A combination made of 5 dimensions for each authorized amount or used amount reported

1. Mode
2. Initial maturity
3. Residual maturity
4. Currency
5. Country

↳ Each amount must be characterized by one unique combination of 5 values of these dimensions

Report - Credit breakdown






	Credit institution	Guarantee insurer	Credit insurer	Factoring company	Leasing company
1. Mode	<p><u>Cash credits</u> 01 Authorized credits with mixed uses 11 Fixed term credits 15 Overdrafts 21 Financial leasing & similar transactions 23 Mortgage loans 31 Non-mortgage installment loans 41 Own acceptances 51 Commercial bills 61 Other cash credits</p> <p><u>Commitment credits:</u> 71 Guarantees (other than referred to under 72) 72 Guarantee-substitute credits 73 Letters of credit 74 Not traded acceptances</p>	<p><u>Commitment credits</u></p> <p>78 Guarantees (other than referred to under 79)</p> <p>79 Guarantee-substitute credits</p>	<p><u>Commitment credits</u></p> <p>77 Insured supplier credits</p>	<p><u>Cash credits</u></p> <p>91 Advances against invoices with recourse</p> <p>92 Advances against invoices without recourse</p>	<p><u>Cash credits</u></p> <p>25 Financial leasing of movable property</p> <p>26 Financial leasing of real estate</p>





= Information available in the outputs



Report - Credit breakdown

	Credit institution	Guarantee insurer	Credit insurer	Factoring company	Leasing company
2. Initial maturity 	<ul style="list-style-type: none"> ▪ ≤ 1 year (also "tot nader bericht" & without date of end) ▪ > 1 year & ≤ 2 year ▪ > 2 year & ≤ 5 year ▪ > 5 year 				
3. Residual maturity 	<ul style="list-style-type: none"> ▪ ≤ 1 year (also "tot nader bericht" & without date of end) ▪ > 1 year & ≤ 2 year ▪ > 2 year & ≤ 5 year ▪ > 5 year 				
4. Currency 	All currencies	EUR			
5. Country 	<u>Credits granted by:</u> Institutions established in BE or by branches abroad	<u>Credits granted by:</u> Institutions established in BE only			
6. Type of credit 	Authorized & Used	<u>Authorized = Used (generally)</u>	<u>Authorized only</u>	Authorized & Used	Authorized & Used

 = Information available in the outputs (if not available: )

Report - Credit breakdown




▶ Example:

Credit mode	Initial maturity	Residual maturity	Currency	Country	Authorized Amount	Used Amount
01 Mixed uses	> 5 y	> 5 y	EUR	BE	10 000	(*)
01 Fixed term	> 2 y & ≤ 5 y	> 2 y & ≤ 5 y	EUR	BE		1 000
01 Fixed term	> 1 y & ≤ 2 y	> 1 y & ≤ 2 y	EUR	BE		5 000
01 Fixed term	> 1 y & ≤ 2 y	> 1 y & ≤ 2 y	EUR	FR	50	50
01 Fixed term	> 1 y & ≤ 2 y	≤ 1 y	EUR	BE	2 000	1 000
01 Fixed term	> 2 y & ≤ 5 y	> 1 y & ≤ 2 y	USD	BE	4 000	2 000
01 Fixed term	> 2 y & ≤ 5 y	≤ 1 y	EUR	BE	400	100
01 Fixed term	> 2 y & ≤ 5 y	≤ 1 y	EUR	PT	4 000	800
23 Mortgage loan	> 5 y	≤ 1 y	EUR	BE	750	150

(*) Mixed uses => no used amount because the uses related to the authorized amount are in the other modes.



Report - Additional data (to be updated monthly)

	Credit institutions	Guarantee insurer	Credit insurer	Factoring cy	Leasing cy
Collateral 	Following application of the haircuts decided on internally	No existing collateral	No existing collateral	No existing collateral	Amount still to be repaid by the customer = initial amount of the contracts less repayments already made
Probability of default on one year (in %) 	According to Basel 2	No PD to be reported as Basel 2 doesn't apply to insurers	According to Basel 2		
Default on payment "90 days past due" 1.Amount (EUR) (0 not allowed if date reported) 2.Date of first default "Unlikely to pay" 1.Amount (EUR) (0 EUR allowed) 2.Date  <u>Reciprocity principle:</u> Default "90 days past due" will be delivered in the output to types of participants which deliver this info	Basel 2 definition: capital + contractual interest (not on arrears)	No default to be reported as Basel 2 doesn't apply to insurers (debtor immediately on end)	- Default amount related to their customers - To be reported so long as considered as recoverable (no provision yet in accounts in accordance with tax rules & IFRS standard) -Max 2 years reported	= Economic arrears (not technical) Period of reporting according to company's appraisal	

Report - Debtors - Action code DEB

DEB			
What?	When?	Main principles /Limits	Result/ feedback
Create a debtor	At any time in a month (1)	<p>Use the <u>official ID N°</u>. namely :</p> <ul style="list-style-type: none"> • enterprise N°. (BE companies & natural persons) • national register N°. (BE natural person) • participant N°. (associations & non-residents) 	<ul style="list-style-type: none"> • Error messages (basic controls) • IAR: Immediate Acknowledgment of Receipt (accepted debtors + official ID data & rejected debtors with error codes) • DAR: Deferred Acknowledgment of Receipt in one go (same output data as in 1st acknowledgment)
Also rectify identification data	At any time in a month	<ul style="list-style-type: none"> • If the debtor is identified with an internal participant N°. • No other correction allowed if the data related to an enterprise N°. or a NRNP N°. are the official ones 	

(1) Purposes: enables to spread the debtors' communication and the processing of possible identification problems by the back office over the time and speed up the corrections and resubmission of debtors rejected



Report - Debtors - Action code DEB

Information to be communicated

<u>Type of debtor:</u>	Resident Legal Entity	Non-Resident Legal Entity	Resident Natural Person	Non-Resident Natural Person	Association
<u>Identification N°.</u>					
Enterprise N°. (KBO/BCE)	X		X	X	
National register N°.			X		
Participant internal N°.		X	(X)	X	X
<u>Identification data</u>					
Legal name/ Last name	X	X	X	X	Only id numbers of the codebtors
Legal form	X				
Full address (road, house nr,...)	X	X	X	X	
Country	BE	X	BE	X	
First name			X	X	
Birth date			X	X	
Nace code		X		X	
Country of HQ for branches of foreign cies (if legal forms = 023, 027, 030, 230, 235, 260, 265)		X			
Foreign ID N°.		Optional		Optional	
ID data of HQ (if legal forms = 023, 027, 030, 230, 235, 260, 265)		Optional			
Free text zone	Optional				

Report - Debtors - Action code MODIDDEB

MODIDDEB

What?	When?	Main principles /Limits	Result/ feedback
Convert an internal participant N°. to a new internal one	At any time in a month	<p>NOT allowed to convert</p> <ul style="list-style-type: none">• <u>to</u> an official N°. seeing that the participant is free to use an existing official N°. without any additional action (if debtor already identified with that official N°. in the DB)• an official N°. seeing that this situation can't happen	<ul style="list-style-type: none">• Feedback like IAR for DEB



Report - Debtors/Credit - Action code DELDEB

DELDEB

What?	When?	Main principles /Limits	Result/ feedback
Delete <u>all</u> the data already reported (credit data & ID data if the case)	At any time in a month	<ul style="list-style-type: none">• When a debtor was wrongly reported• Each DELDEB will be intercepted by the back office before final processing to avoid any mistake	<ul style="list-style-type: none">• ALL HISTORICAL CREDIT DATA ARE ERASED and, if the case, ID DATA!!• Feedback like DEB



Report - Credit - Action code CRED

CRED			
What?	When?	Main principles /Limits	Result/ feedback
Report monthly credits for <u>registered</u> debtors	<ul style="list-style-type: none"> • 8th calendar day after the end of month at the latest (not checked by the application)! • Each month • Can be reported the same day as the DEB • Also for a previous month if no credit data recorded yet for the concerned debtor on that date or later 	<ul style="list-style-type: none"> • Reporting date = last day of previous month • ID N° is the key identifier: enterprise N°, NRNP N° or participant N°. (for natural persons, possible use of any existing ID N° : enterprise N° if any, NRNP N°. [or possibly participant internal N°.]) • Whole picture of the credit situation of a debtor (even if no change from month to month) • Authorized and/or used amount for each combination of criteria: mode, initial term, residual term, country, currency • Amount in currency unit (no multiples) • Additional data: probability of default (%), collateral (amount in EUR), date and amount for both types of default) 	<ul style="list-style-type: none"> • Rejection of credits if debtor not yet communicated by the participant or rejected in a DEB • Feedback like DEB

Report - Credit - Action code STOPCRED

STOPCRED

What?	When?	Main principles /Limits	Result/ feedback
Stop the credit communication when no more credit has to be reported	<ul style="list-style-type: none">• With CRED reporting• For the reporting date on which no credit• Can be used retroactively	<ul style="list-style-type: none">• If later credit is again granted, debtor's credit can directly be reported via CRED (or via DEB + CRED)• To be used when the composition of an association changed (STOPCRED + DEB)	<ul style="list-style-type: none">• Credit situation is stopped on the date for which a STOPCRED has been reported• Feedback like IAR for DEB



Report - Credit - Action code CORCRED

CORCRED

What?	When?	Main principles /Limits	Result/ feedback
Rectify credit data <u>when credit data or a STOPCRED are already reported</u> on the specified reporting date	At any time in a month	<ul style="list-style-type: none">• The whole credit situation must be reported (like CRED)• Same data as in CRED• Also to be used to rectify additional data• If no credit data or STOPCRED has already been reported on the specified date, action code will be rejected. A CRED action has to be used in that case.	<ul style="list-style-type: none">• Feedback like IAR for DEB



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ Outputs
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Consultation by a participant

- ▶ 2 channels to make synchronic single consultations
 - **A2A** automated file upload/download (via webservice)
 - requiring development at the participant side
 - for intensive consultations
 - of which the results can be stored and used by the participant in other applications
 - **U2A** internet interactive application via a browser
 - for easy use in the language used in the browser by part. (NL or FR)
 - without specific development by the participant



Consultation by a participant

- ▶ 2 ends of months to be chosen by the participant :
 - but if no date chosen = last 2 calendar ends of month
 - situation on end of last month: could be incomplete depending on the date of consultation
- ▶ 11 complete monthly credit situations available + data at end of the previous month



Consultation by a participant

- ▶ search criteria to be used to make a query:

<u>Type of debtor:</u>	Resident Legal Entity	Non- Resident Legal Entity	Resident Natural Person	Non- Resident Natural Person	Association
<u>One single search criteria = an identification N°.</u> (one ID N°. at the time)					
Enterprise N°.	X		X	(X)	
Participant internal N°.		X	(X)	X	X
National register N°.			X		
<u>Multiple search criteria = combination of identification data</u>					
Name	x	x	x	x	
Legal form	x				
Postcode	x				
Country	BE	x	BE	x	
First name			x	x	
Birth date			x	x	
Birth year			O	O	

or

O: Optionnal, the birth year is required if the entire birth date is not known by the participant.



Consultation by a participant

▶ Results regarding the identification

- if the debtor has been identified
 - id data present in CKO2 (included the legal situation from KBO/CCE) and credit found in the database
 - or ■ id data present in CKO2 and the message "absence of credit"
- if the debtor cannot be identified with certainty (homonyms)
 1. id data of several debtors present in CKO2
 2. message inviting to introduce a new query with the correct debtor
- if the debtor cannot be identified at all
 - message inviting to precise the request by using an id number



Consultation by a participant

► Results for two ends of months:

1. Credit amounts in EUR

- broken down by mode, residual maturity and type of credit (A & U)
- available margin (when $A > U$) and overspending (when $A < U$) (computed by participant)
- 2 columns:
 - ◆ total of all participants' data
 - ◆ the requesting participant's own data

2. Number of participants

- which have reported credit data for the debtor (for both months)
- used for determining and mentioning the "completeness" of a situation: considered as "complete" in M when all participants of the previous month M-1 have reported in M



Consultation by a participant

3. Credit amounts totalized by currency
4. Default of payment ("90 days past due" only):
 - Delivered by participant (not named)
 - Date and amount of default
 - ↳ Reciprocity principle:

Dates and amounts of default (whatever the reporting institutions) are only delivered to a participant belonging to a group of participants which are required to report that data. In practice, the result is that insurance companies don't receive data on default of payment while all the other participants receive that data reported by credit institutions, leasing and factoring companies).

Remarks:

- no other additional data will be communicated (Probability of default, collateral amount, default of payment "Unlikely to pay" and detailed amounts by initial maturity are not included in the reply to a consultation)
- no information on NACE code and latest annual accounts filed

Consultation by a participant

5. Derived entities : association(s) in which the debtor is present:
 - summed up : the reply contain the credit data for the sum of all the derived entities.



Consultation by a debtor

- ▶ Same data as in the answers to consultations by a participant but individualized by name of participant



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ **Outputs**
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Outputs

- ▶ Monthly automatic return:

ID data & credit situations in the whole reporting sector regarding the debtors reported by the recipient participant on the end of the last two months

- ▶ Directory of the participant:

ID data & credit situation regarding the debtors reported by the recipient participant on the end of one selected month



Outputs

- ▶ Sectoral & geographical statistics:
 - Statistics regarding the debtors reported by the recipient participant and the other participants
 - Warning when available
 - To be downloaded by the participant
 - Possibility to select some choice criteria
 - Output based on the data warehouse
- ▶ Others
 - Results of some quality checks made by back office to be solved by the recipient participant



Plan

- ▶ Scope
- ▶ Features
- ▶ Report
- ▶ Consultation
- ▶ Outputs
- ▶ Planning
- ▶ Tests
- ▶ Initial load
- ▶ Information
- ▶ Questions?



Planning

Date	NBB	Participants
30/11/2009	Technical specifications about the IT infrastructure	
31/12/2009	Data model & description of the data needed in the reporting	
Protocols		
1/03/2010	Draft protocol of the functions for the reporting by (& their feedback to) the declarers	
31/03/2010		Comments & remarks on draft protocol of reporting
1/05/2010	<ol style="list-style-type: none"> 1. Final protocol of the functions for the reporting by (& their feedback to) the declarers 2. Draft protocol of the functions for the consultations by & the outputs to the declarers 	
31/05/2010		Comments & remarks on draft protocol of consultation & outputs
1/07/ 2010	Final protocol of the functions for the consultations by & the outputs to the declarers	
Tests & production environments		
1/12/2010	<ul style="list-style-type: none"> • Opening of the integration environment for the declarers to test the functions as to the reporting • Data file supplied to participants to prepare & carry out their consultation tests. 	Tests by the participants
01/02/2011	Opening of the integration environment for the declarers to test the functions as to the consultation & the outputs	Tests by the participants
1/06/2011	Go live of CKO2: opening of the production environment for all declarers	Begin of the initial load

Tests

- ▶ Test environment:
 - regularly cleaned (to be precised)
 - also open after 1 June 2011
- ▶ Tests by participants based on
 - their own data (report and consultation)
 - set of data delivered by NBB (consultation)
- ▶ Support given by NBB (during work hour)
- ▶ Performance tests with large data volumes according to a planning to be fixed
- ▶ All products (reports, consultation, outputs) should be tested by all participants
- ▶ More details delivered beginning Sept. 2010




Initial load

- ▶ Demanded by participants:
 - Start from scratch with the complete portfolio of debtors & credits as from 1 June 2011
 - Consequences:
 - Huge data volumes to be exchanged and processed
 - Numerous id problems to solve in a short time
- ▶ Technical, procedure & planning to be further analyzed by NBB



Information

- ▶ Written documentation
 - Specifications (Lastenboek/Cahier des charges)
 - Protocols
 - Technical and other administrative communications
- ▶ Website NBB/CCCR (CKO/CCE): no restricted access:



nbb.be>Central Credit Registers>Credits to enterprises>participants>Access reserved to participants>CKO2 documentation



Information & Questions

▶ Team

- cr@nbb.be (preferably)
- By phone:
 - Patrick BISSOT: 02/221 22 10
 - Marc GHYSELS: 02/221 46 40

▶ Question Time

Thank you for your attention

