



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Luigi Morgano
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 23 June 2017

L/MD/17/248

Re: Your letter (QZ-038)

Honourable Member of the European Parliament, dear Mr Morgano,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 5 May 2017.

As I have had the opportunity to explain on various occasions before the Committee on Economic and Monetary Affairs, and in my previous written replies to your honourable colleagues, the AnaCredit Regulation (ECB/2016/13)¹ provides for the collection of detailed credit and credit risk data in order to support the ECB in performing its tasks, such as monetary policy analysis and operations, and in contributing to financial stability, economic research and statistics.² To this end, the envisaged database comprising loan-by-loan data is designed for use by the ECB and all participating EU national central banks (NCBs). At a later stage, subject to confidentiality protection rules and compliance with the requirements of Council Regulation No 2533/98³, access to this database may be made available to certain other specified authorities.

As also explained in the ECB's feedback statement of May 2016⁴, in accordance with the AnaCredit Regulation, NCBs are free to establish feedback loops to provide credit data to their reporting agents and to

¹ See https://www.ecb.europa.eu/ecb/legal/pdf/celex_32016r0867_en_txt.pdf

² For more information on AnaCredit, see https://www.ecb.europa.eu/stats/money_credit_banking/anacredit/html/index.en.html

³ Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank.

⁴ For more information, see https://www.ecb.europa.eu/stats/money/aggregates/anacredit/shared/pdf/feedback_statement_201605.en.pdf

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address
European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu

do this using the AnaCredit data. As stated in Recital 18 of the AnaCredit Regulation, the use of AnaCredit data for such purposes enhances the contribution of the European System of Central Banks (ESCB) to the stability of the financial system, in line with its statutory mandate as laid down in Article 127(5) of the Treaty on the Functioning of the European Union. Please note that feedback loops are currently established by a number of NCBs via the operation of central credit registers and take into account the respective national legal frameworks. The rules governing the sharing of information collected under the AnaCredit Regulation between the NCBs and with the reporting agents are contained in Article 11. When feedback loops exist, reporting agents will only have access to data for the purpose of managing credit risk and improving the quality of credit information. Private vendors of credit information are clearly excluded from accessing the data. Among other matters, Article 11(1) prohibits reporting agents from sharing the data with third parties, unless data sharing with service providers is strictly necessary for managing credit risk and improving the quality of the credit information available to them. This condition allows credit institutions, especially small ones, which have outsourced activities related to the assessment of the creditworthiness of their borrowers, to benefit from AnaCredit. However, as stated in the same article, sharing data with service providers is strictly subject to the appropriate confidentiality protection. Under Article 12(1), the only exemptions to this rule are those legal entities or legally dependent parts of legal entities about which credit data have been reported. As communicated to the public via the ECB feedback statement in 2016, the scope and implementation of feedback loops will be set out in a separate legal act or in a memorandum of understanding. This will clarify which data may, and which data may not, be exchanged under feedback loops, taking into account the national legal frameworks and any other constraints regarding the confidential nature of the information. In this context, due consideration will be given to the compliance of these measures with the general principles of EU law, including proportionality, non-discrimination and competition.

To conclude, let me underline that the regulatory powers of the ECB in the field of statistics are clearly restricted. As with other ECB statistical regulations, the AnaCredit Regulation regulates the collection and use of such statistical information as is necessary for the fulfilment of ESCB tasks. Therefore, facilitating the access of commercial providers of value-added services to data that may only be collected for the fulfilment of ESCB tasks would not be consistent with such purposes or the constraints on the ECB's powers to compile statistics.

Yours sincerely,

[signed]

Mario Draghi

Address

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Sonnemannstrasse 20
60314 Frankfurt am Main
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Postal Address

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Germany

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Website: www.ecb.europa.eu