



OPERATIONAL ASPECTS FOR THE CROSS BORDER USE OF CREDIT CLAIMS WHEN BANCO DE PORTUGAL IS ACTING AS CCB

1. Introduction

The aim of this document is to provide basic information to any non Portuguese counterparty that wishes to use a credit claim (bank loan) granted in Portugal under the Portuguese Law as collateral in Eurosystem credit operations in the context of the Correspondent Central Banking Model, CCBM (Banco de Portugal acting as Correspondent Central Bank, CCB).

Additional information on the legal and procedural aspects or related with the collateralization of Eurosystem credit operations in Portugal can be found in Instruction n.º 1/99 (including annexes) and in Instruction n.º 116/96 (including annexes), both issued by Banco de Portugal (BP). The Official Bulletin, which includes Instructions and other acts (SIBAP), can be found in the following address: http://www.bportugal.pt/servs/sibap/sibap_e.htm.

However, please note that all the above mentioned documentation is only available in Portuguese.

2. General information

Foreign counterparties that intend to use credit claims granted in Portugal under the Portuguese Law as collateral will be responsible for the communication of the relevant information to BP in order to allow the eligibility checks. Once the credit claim is considered eligible and registered in BP's internal system, the participating institution (PI) must keep all information updated on a daily basis. When a PI updates information on credit claims, it is only required to send data related to the exact fields which were changed (see section 4 for information on the data variables).

In terms of operational workflow, BP assesses the eligibility of each credit claim on the working day ($t+1$) following the actual submission of data by the PI (t). If the credit claim fulfils all the eligibility criteria, BP will convey that assessment to the PI and the credit claim may be included by the PI in the pool of collateral (at the Home Central Bank level, HCB). If the information received is considered to be insufficient or any doubts arise, BP has the right to ask the PI for clarification. In that case the stated period will be reinitiated after the new submission of data by the PI.

When a credit claim does not fulfil the eligibility criteria, the BP will inform the PI giving notice of the reasons underlying such a decision. The BP reserves the right to set up (and update) a database of credit claims (bank loans) that have been considered not eligible.

The preferred **communication channel** to submit the relevant information (see section 4.) about credit claims is SWIFTNet, messages type MT599. Each message successfully received will be followed by a return receipt.

In the case of non-availability of the SWIFTNet channel, the required information can be sent via fax to +351 314 4691.

Although these communication channels imply the use of 'free format' messages, the information transmitted should take into account the 'field properties' presented in section 4.

In the future, in case of increasing number of transmissions, Banco de Portugal might change the primary communication channel in order to allow the transmission of extended mark-up language (xml) messages according to a predefined 'data schema', which can be accessed in the following URL: <http://www.bportugal.net/>. Each credit claim submitted to BP must be



identified by a **unique code**, PTEBYYYYXXXXXC. The PI is responsible for the attribution of the code.

The mobilization of credit claims in the context of CCBM involves **costs** to the counterparties. Further information on this topic may be found at the ECB website, under the Tab 'Payments and Markets' (<http://www.ecb.int/paym/coll/coll/ccbm/html/index.en.html#pricing>).

3. Procedures

In Portugal the pledge is the legal technique used to mobilize credit claims governed by the Portuguese Law as collateral for Eurosystem credit operations' purposes.

Counterparties have the possibility to communicate with the CCB via their HCB if the latter is willing and able to provide this service in accordance with the procedures of the CCB

The type of information to be communicated to Banco de Portugal as regards credit claims (list of variables and communication means to be used) is available on the ECB's website, under the Tab 'Payments and Markets' (http://www.ecb.int/paym/pdf/collateral/Table2_cc_details.pdf and (http://www.ecb.int/paym/pdf/collateral/Table1_Handling_procedures.pdf).

4. List of variables

The list of variables to be communicated to Banco de Portugal as regards credit claims to be mobilized as collateral is presented below:

Data on the counterparty

Field Name	[min-max]	Type of field	Comments
Counterpart ID	[1-1]	[number/char]	MFI code, in accordance with https://mfi-assets.ecb.int/dla_MFI.htm

Data on the debtor/guarantor

Field Name	[min-max]	Type of field	Comments
Identification code	[1-1]	[number/char]	Taxpayers number
Name	[1-1]	[characters]	
Country of Residence	[1-1]	[code list]	
Institutional sector	[1-2]	[code list]	Code of the economic activity as defined in European System of Accounts 1995 (ESA 95), or PSE1 or PSE2.
Credit assessment date	[0-1]	[date]	
Credit assessment source	[0-4]	[code list]	ECAI, ICAS, IRB, RT
Credit assessment system	[0-n]	[code list]	
Rating level	[0-1]	[code list]	
Probability of default	[0-1]	[%]	



Field Name	[min-max]	Type of field	Comments
Headquarter address	[0-1]	[address]	
Comments	[0-1]	[free text]	

Data on the credit claim

Field Name	[min-max]	Type of field	Comments
Contract ID	[1-1]		15 characters according to the following 'rule': PTEBYYYYXXXXXC, where PT stands for Portugal, EB for credit claim, Y stands for the ID code of the counterparty and X for the ID number of the credit claim; C is the check digit
Debtor/guarantor identification code	[1-1]	[number/char]	Taxpayers number
Issuance date	[1-1]	[date]	Mandatory
Maturity date	[1-1]	[date]	Mandatory
Payments schedule	[1-n]	[date, numbers]	Interest plus capital
Frequency of capital payments	[1-1]	[list]	Periodicity
Date of the 1 st capital payment	[1-1]	[date]	
Nominal value outstanding	[1-1]	[number]	
Partial nominal value outstanding	[1-1]	[number]	Mandatory for syndicated loans only
Frequency of interest payments	[1-1]	[list]	
Date of the 1 st interest payment	[0-1]	[date]	
Day count convention	[0-1]	[Boolean]	360/365
Calculation rules	[0-1]	[Text]	
Fixed interest rate	[0-1]	[%]	
Variable interest rate: spread	[0-1]	[%]	
Variable interest rate: index	[0-1]	[number/char]	
Currency	[0-1]	[code list]	
Exchange rate date of reference	[0-1]	[data]	
Syndicated loan	[1-1]	[Boolean]	
Other specific credit claim conditions	[0-n]	[text]	E.g. subordinated claims or co-debtors claims should be mentioned here
Guarantees	[0-n]	[number]	
Provision level	[0-n]	[%]	



Field Name	[min-max]	Type of field	Comments
Governing law of the loan agreement	[1-1]	[code list]	
Type of credit	[0-1]	[code list]	
Previous unsettled situations	[0-1]	[Boolean]	
Amount of the current unsettled situation	[0-1]	[number]	

5. Contacts

The following contacts can be used to clarify any aspect related with the handling of credit claims, between 8.30 a.m. to 5.30 p.m. (local time - GMT):

- Phone number of the CCBM unit: +351 21 353 7279
- Fax number of the CCBM unit: +351 21 314 4691
- E-mail: siteme@bportugal.pt
- Phone number for credit claims related issues: +351 21 313 0801 or
+351 21 312 8298

Lisboa, 30th March 2007