



Pursuant to the authority vested according to Article 35, paragraph 1, subparagraph 1.1, and Article 24, paragraph 1 of the Law on the Central Bank of the Republic of Kosovo, the Central Bank Board, in a meeting held on February 24, 2012 adopted the:

## **Regulation on Credit Registry**

### **CHAPTER I – GENERAL PROVISIONS**

#### **Article 1. Purpose**

1. The Central Bank of the Republic of Kosovo (hereinafter “Central Bank”) keeps and administers the Credit Registry of Kosovo (hereinafter “Credit Registry”) to collect and distribute credit information between financial institutions for purposes of improving credit quality and performance of the supervisory function of the Central Bank.
2. This Regulation regulates the collection and use of credit information through Credit Registry.

#### **Article 2. Scope**

This Regulation applies to financial institutions determined by the Central Bank to be credit providers, including all licensed banks and microfinance institutions, and the non-bank financial institutions and insurance companies licensed to deal with special credit activities.

#### **Article 3. Definitions**

1. The term “*credit*” means any loan or direct or indirect commitment to disburse money in exchange for a right to repayment of the amount disbursed and outstanding and a right to the payment of interest or other charges on such amount, to any extension of the due date of a debt, to any bank/insurance guarantee or letter of credit issued, and to any commitment to acquire a right to payment of a sum of money. The term “*credit*” also includes overdrawn balances on deposit accounts, or overdrafts.
2. The term “*credit provider*” means any licensed banks, any licensed microfinance institution, a

non-bank microfinance institution licensed for special credit activity, or an insurance company licensed for special credit activity (issuance of guarantees).

3. The term “*natural person*” means an individual.

4. The term “*personal data*” means any information regarding a natural person.

5. The term “*sensitive personal data*” means any personal information that reveals racial or ethnic origin, political or philosophical views, religious beliefs, membership in trade unions, health condition, sexual orientation, biometric characteristics, or the criminal or administrative offense.

6. The term “*legal entity*” means any organization, including a business organization, that has a separate legal identity different from its members, owners or shareholders.

7. The term “*legal entity data*” means any information related to a legal entity.

8. The term “*credit report*” means any communication, written or electronic, of any information from the Credit Registry related to the credit state or exposure of a natural person or legal entity.

9. The term “*borrower*” means a natural person or a legal entity undertaking a credit obligation.

10. The term “*co-borrower*” means a natural person or a legal entity that assumes a credit obligation together with another natural person or legal entity.

11. The term “*guarantor*” means a natural person or a legal entity that undertakes a legal obligation to return the loan in case of failure of loan repayment by the primary borrower.

12. The term “*data subject*” means a legal person or a legal entity in respect of which Credit Registry information is collected and a credit report is compiled. The data subject is also referred to as a client – one who has used credit services or applied for a credit, including borrowers and co-borrowers, guarantors and other related persons.

13. The term “*consent*” means the expression of an agreement from the data subject in a clear, free, special and informed manner for the credit provider to access a data subject’s credit reports in the Credit Registry and for sending credit information of the data subject to the Credit Registry.

14. The term “*electronic signature*” means the signature defined as such in the Law on Information Society Services.

15. The term “*negative information*” means information relating to a delay in repayment of a credit by the borrower and any other form of violation of obligations related to the loan.

16. The term “*positive information*” means information relating to the repayment of the credit on time by the borrower and fulfilling the obligations related to the loan.

17. The term “*instruction*” means a written recommendation issued by the Central Bank that is of general application and is binding in its entirety and directly applicable.

18. The term “*credit exposure*” means a total credit amount issued to a borrower.

## **CHAPTER II – THE NATURE OF CREDIT INFORMATION**

### **Article 4. The Nature of Credit Information**

1. The Credit Registry operates as a centralized system for collection and distribution of credit information between credit providers.

2. The Credit Registry collects and distributes positive and negative information about the data subjects.

3. Credit information is reported directly to the Credit Registry by credit providers. Credit providers are responsible for the completeness and accuracy of the information reported to the Credit Registry under this Regulation and shall take all necessary measures for this purpose.

4. The Central Bank holds no responsibility for the manner of use and assessment of credit information, even in cases when the information is inaccurate, incomplete or delayed as a consequence of such reporting by credit providers.

## **CHAPTER III – COLLECTION OF CREDIT INFORMATION**

### **Article 5. Permissible and Prohibited Collection of Credit Information**

1. *Permissible Collection.* In accordance with this Regulation, the Credit Registry may collect and maintain a credit file, at a minimum, on the following:

a. General identification information, including name of subject or subjects’ data, identification number/s of registration, place of birth/ registration, and main address of residence/operation;

b. Credit specific data including a unique identification number, credit product, the allowed amounts, relevant dates, the amounts past due (active), the history of repayments and related collateral;

c. Credit classifications based on Central Bank regulations; and

d. Public data determined to be relevant by the Central Bank.

2. *Prohibited Collection.* The Credit Registry may not collect or report any of the following information on data subjects:

a. Sensitive personal data; and

b. The data on returned credits after five years following the date of complete return, and the data on credits deleted from the balance, after seven years following the date of deletion.

### **Article 6. Reporting Credit Information**

1. *Requirement to Report.* All credit providers are hereby required to report to the Credit Registry all credit applications and credits extended to their customers in accordance with the terms and conditions of the respective Instruction issued by the Central Bank.

2. *Standard for Reporting.* Credit providers shall provide accurate, timely, and complete credit information to the Credit Registry.

a. If at any time a credit provider determines that the information provided is not complete, timely, or accurate, the credit provider must take all reasonable steps to ascertain the complete, timely, and accurate information and submit the information to the Credit Registry.

b. If the credit provider's reasonable steps cannot produce the completed, timely and accurate information, the credit provider shall notify the Credit Registry immediately.

3. *Consent.* Credit providers shall include a consent clause in their credit application forms and credit contracts and obtain the customer's written or electronic signature authorizing the submission of the data subject's credit information to the Credit Registry.

a. Credit providers shall take all reasonable steps to ensure data subjects understand the impact of providing consent for the provision of their personal data to the Credit Registry.

b. Credit providers shall not undertake measures to knowingly conceal from the data subject the meaning of consent or its requirement.

## CHAPTER IV – USE OF CREDIT INFORMATION

### Article 7. Accessing Credit Reports

1. *Entities Permitted to Access Credit Reports.* The following entities are permitted to access credit reports from the Credit Registry

- a. Credit providers;
- b. Data subjects who may access their own credit reports;
- c. The Central Bank, in accordance with this Regulation and any other laws or rules; and
- d. Other entities authorized by law.

2. *Consent.* Credit providers are required to obtain the data subject's written or electronic signature prior to accessing the data subject's credit report from the Credit Registry.

- a. Credit providers shall take all reasonable steps to ensure data subjects understand the impact of providing consent for credit providers to access their credit report.
- b. Credit providers shall not undertake measures to knowingly conceal the meaning of or requirement for the data subject's consent.
- c. Consent to access the data subject's credit report shall not extend beyond the duration of credit repayment or the servicing of the credit, whichever is less, and shall be limited to what is necessary for the purpose of assessing credit risk. For the purpose of a credit application, consent to access the data subject's credit report shall not extend beyond the date of the related decision by the credit provider.

### Article 8: Use of Credit Reports

1. *Permissible Use of Credit Reports.* Entities permitted access to credit information:

- a. shall use credit reports only for the purpose for which they were obtained and for no other purpose; and
- b. shall not distribute credit reports to third parties, unless required by law or by direction of a competent court.

2. *Mandatory Use of Credit Reports.* Credit providers are required to obtain a credit report on any client obligated by the terms and conditions of the credit under the following circumstances:

- a. Before extending credit;
- b. Upon renewal or increase of credit; and
- c. Upon the changing of terms and conditions of credit.

### **Article 9. Exchange of Credit Information with Foreign Countries**

Exchange of credit information with a foreign country may take place in accordance with applicable laws in the Republic of Kosovo if the Central Bank has signed a memorandum of understanding or other information exchange agreement with a respective institution in that foreign country.

## **CHAPTER V – RIGHTS OF DATA SUBJECTS**

### **Article 10. Rights of Data Subjects**

1. Data subjects maintain their right to privacy of data in accordance with the law.
2. Credit providers and the Credit Registry shall provide a summary of the data subject's rights according to this Regulation, both upon request by the data subject and included with each credit report. This summary, at a minimum, shall include a description of:
  - a. The right of the data subject to obtain credit reports, one time per year for free, and additional credit reports for a fee determined by the Central Bank; the right of a legal entity to obtain credit reports for a fee determined by the Central Bank
  - b. The right of the data subject to dispute credit information;
  - c. An explanation of each data field included in the credit report;
  - d. The right to privacy of personal data in accordance with paragraph 1 of this Article.
3. Data subjects shall have the option to request credit reports from either their associated credit providers or the Central Bank. Credit providers shall take all necessary steps to ensure they are able to properly receive data subject requests for credit reports. Credit providers shall report data subject requests for credit reports to the Credit Registry within three business day of receiving such requests. The credit report shall be provided to the data subject requesting it no later than five business days after the request is received by the Central Bank.

4. Data subjects shall have the right to request the supplementation, correction, or deletion of their credit information.
5. Both the Central Bank and credit providers shall be notified about the request of the data subject to supplement, correct or delete credit information.
  - a. A data subject shall first try to solve any dispute regarding credit information with the respective credit provider.
    - i. Credit provider shall review and respond to the request within five days after the receipt of the request.
    - ii. Data subject will confirm the agreement or the disagreement with the answer of the credit provider.
  - b. If the resolution from sub-paragraph 5.a. of this Article is unsatisfactory to data subject, the credit provider shall inform the Central Bank. In such a case, the data subject may also notify the Central Bank on the request. The Central Bank shall review the case and respond to the data subject within ten days after information given by the credit provider or after receipt of the request from the data subject.
  - c. If the data subject is unsatisfied with the final resolution from subparagraph 5(b) of this Article, the data subject may seek relief through the proper legal mechanism.
  - d. The Central Bank shall maintain a record of all credit information disputes.
  - e. While awaiting a response to the request for the resolution of a dispute, the respective credit report should have a note identifying the contested information under investigation in compliance with the terms of the respective instruction issued by Central Bank.
7. This Article does not eliminate or supersede the disclosure requirements of any other law or rule with respect to data subjects

## **CHAPTER VI - TARIFFS**

### **Article 11. Fees**

1. Central Bank shall charge credit providers reasonable fees for participation in the Credit Registry and for credit reports requested, as prescribed by the Central Bank.
2. Central Bank shall charge data subjects reasonable fees for requested credit reports, excluding the credit report which is given for free once a year upon request from natural persons.

## **CHAPTER VII - PENALTIES**

### **Article 12. Penalties for non-compliance**

1. Credit providers found to be in violation of this Regulation shall be subject to administrative penalties as specified in the Law on the Central Bank, or in any other relevant Law.
2. Infractions that may result in administrative penalties include, but are not limited to: failure to report credit information; late reporting of credit information; incorrect reporting of credit information; misuse of credit reports by credit providers; and unauthorized disclosure of confidential credit information.
3. Penalties provided under this section shall not prevent any civil or criminal proceeding under applicable law.

## **CHAPTER VIII – TRANSITIONAL AND FINAL PROVISIONS**

### **Article 13. Transitional Provisions**

1. Article 5, Paragraph 2 of this Regulation on Prohibited Collection of information shall come into effect one year after the entering into force of this Regulation.
2. During this one year period, the Central Bank shall take all steps necessary to identify and ensure that all prohibited information is completely removed from the Credit Registry.

### **Article 14. Publications**

The Central Bank, for statistical and research purposes, may publish, partially or fully, the information contained in the Credit Registry, by guaranteeing its anonymity, without specifying certain credit providers or borrowers.

### **Article 15. Instruction**

The Central Bank shall issue an Instruction to implement its responsibilities under this Regulation.

### **Article 16. Repeal**

On the day of entry into force of this Regulation, Rule XXVIII on Credit Reporting shall be repealed.

**Article 17. Entry into force**

This Regulation shall enter into force fifteen (15) days after approval by the Central Bank Board.

Gazmend Luboteni

Chairman of the Central Bank Board