

Regulation on submission of information on borrowers of credit institutions to the Centralized Credit Registry

1. General provisions

1.1. This Regulation has been developed in accordance with Article 35.4 of the Law of the Republic of Azerbaijan on Banks, Article 22.1 of the Law of the Republic of Azerbaijan on Non-bank Credit Institutions and Article 15-1.1 of the Law of the Republic of Azerbaijan on Credit Unions.

1.2. This Regulation determines the order of submission of the information on every borrower by credit institutions to the Centralized Credit Registry (hereinafter – the CCR) of the Central Bank of the Republic of Azerbaijan (*hereinafter – the Central Bank*), as well as the nature and content of this information.

1.3. *The purpose of the CCR is to ensure the availability of a comprehensive, data-driven database on debt obligations to enable the Central Bank to establish and maintain an effective supervisory mechanism aimed at safeguarding financial stability.*

2. Definitions

2.1. The definitions used for the purposes of this Regulation bear the following meanings:

2.1.1 **loan** – loans issued in any currency as of the reporting date, credit lines, guarantees and warranties, factoring and lease operations, as well as loans written off from the balance (~~except for interbank loans and loans issued by foreign branches of banks~~).

2.1.2. **data provider** – a credit institution, including a credit institution under liquidation that submits loan data to the CCR.

2.1.3. **loan identification number** – a unique code issued on a loan by a credit institution and not repeated within the data provider.

2.1.4. **identification number of a group of joint borrowers** – a unique code issued on a group of joint borrowers by a credit institution (~~except for credit unions~~) and not repeated within the data provider.

2.1.5. **group of joint borrowers** – *persons who, pursuant to an agreement, act as mutual guarantors for the repayment of the loan obtained by each member of the group.*

2.1.5-1. **group of related borrowers** – *persons determined under Item 3.1 of the ‘Regulation on prudential ratios and requirements related to credit risks, including large credit risk exposures’ approved by Resolution No. 29/1-2 of the Management Board of the Central Bank dated 22 July 2022.*

2.1.5-2. *identification number of a group of related borrowers* – a unique code assigned to a group of related borrowers for prudential reporting purposes, non-repetitive in the data provider.

2.1.5-3. *debt service coverage ratio (DSCR)* – the ratio of a legal entity or private entrepreneur's income, prior to the payment of taxes and other mandatory payments as prescribed by law, to its annual debt service obligations.

2.1.6. **private entrepreneur** – unincorporated individual entrepreneur.

3. Submission of data to the CCR

3.1. Loan information is provided with the loan identification number and the residual value recorded in accounting documents.

3.2. *Information about new loans is submitted to the CCR within the next business day from the date the loan is issued.*

3.3. *If there is any payment made on loans during the month, related information is submitted within the next business day. Other information, except for data related to reports reflecting the borrower's financial condition (if any), is provided by credit institutions based on the status as of the last day of each calendar month, within the first four (4) business days of the following month. Information related to reports reflecting the borrower's financial condition (if any) is submitted by credit institutions at least once during the calendar year.*

3.4. If the deadline for information falls on a non-working day, it is submitted on the next business day.

~~3.5. Information on full coverage of loan liability is submitted to the CCR within 2 (two) working days from the date of full repayment of the loan.~~

3.6. Information is provided electronically in accordance with the requirements of the automated system of the CCR.

3.7. Information submitted to the CCR per loan should include the information specified in Annex 1 herein.

3.8. If a change is required to the identification number of any loan, the CCR should be notified in writing by the credit institution, and a list of old and new numbers should be provided.

3.9. Data providers should ensure the data submitted to the MKR *is provided in a timely, complete, and accurate manner.*

3.10. Any corrections to the data in the CCR are made by data providers *themselves, as well as based on a written request from the data provider, including electronically via the CCR* or pursuant to a legally enforceable court decision.

3.11. *When multiple individuals act as joint borrowers on a single loan, it is indicated that these individuals are jointly liable for the loan, and the full amount of the loan is recorded for each borrower.*

Composition of the information submitted to the CCR

1. The credit institution:

1.1. name.

1.2. license number (except for the cases under liquidation).

2. Responsible employee for entering data into the CCR by the credit institution and the reporting date:

2.1. the employee:

2.1.1. 1st, last and middle names and position.

2.1.2. the personal identification number (PIN) of the employee's identity document (if any), the type and number of the identity document, and the date of birth.

2.2. the reporting date.

3. General information about the borrower:

3.1. Intra-bank unique identification number (CIF code).

3.2. 5-digit balance account number.

3.3. If the person is related to the credit institution: his/her name, the PIN of the identity document (if any), the type and number of the identity document, date of birth, TIN (if any), and, in accordance with the 'Regulation on related party transactions of banks' approved by the Central Bank Management Board's Decision No. 06/6 dated 31 January 2024; for non-bank credit institutions, the criterion of being a person related to the credit institution based on the Law of the Republic of Azerbaijan 'On Non-Bank Credit Institutions.'

3.4. group of joint borrowers:

3.4.1. group name.

3.4.2. identification number.

3.5. group of related borrowers (for banks):

3.5.1. identification number of the group of related borrowers the borrower belongs to.

3.5.2. note on whether the persons included in the group of related borrowers have been declared bankrupt.

3.6. note on whether the person is a joint borrower.

4. Loan:

4.1. identification number.

4.2. Form:

4.2.1. borrowed cash.

4.2.2. credit line.

- 4.2.3. *credit card.*
- 4.2.4. *guarantee or warrantee.*
- 4.2.5. *overdraft lines.*
- 4.2.6. *leasing.*
- 4.2.7. *factoring.*
- 4.3. *General sector classification:*
 - 4.3.1. *consumer loans to individuals.*
 - 4.3.2. *mortgage loans to individuals.*
 - 4.3.3. *trade and services.*
 - 4.3.4. *energy, chemical and natural resources.*
 - 4.3.5. *agriculture and processing.*
 - 4.3.6. *construction and property.*
 - 4.3.7. *industry and production.*
 - 4.3.8. *transport and communication.*
 - 4.3.9. *oil-and-gas.*
 - 4.3.10. *other.*
- 4.4. *Borrower's activity type according to the activity code determined by the tax authority.*
- 4.5. *Status:*
 - 4.5.1. *fully repaid.*
 - 4.5.2. *non-performing.*
 - 4.5.3. *written-off from the balance.*
 - 4.5.4. *performing.*
 - 4.5.5. *claim right has been assigned to a third party.*
 - 4.5.6. *the borrower has refused (declined) the loan.*
- 4.6. *loan-to-value ratio (LTV ratio) (if collateral is available).*
- 4.7. *initial amount.*
- 4.8. *full amount of limits on credit lines opened.*
- 4.9. *total amount of limits under credit lines that, based on the agreement, grant the bank the unilateral right not to fully or partially fulfill its obligation.*
- 4.10. *used amount of limits under opened credit lines.*
- 4.11. *utilized amount of limits under credit lines that, based on the agreement, grant the bank the unilateral right not to fully or partially fulfill its obligation.*
- 4.12. *outstanding principal amount of the loan as of the reporting date.*
- 4.13. *total interest amount of the loan under the agreement as of the reporting date.*
- 4.14. *accrued non-delinquent interest amount as of the reporting date.*
- 4.15. *accrued overdue interest amount as of the reporting date.*
- 4.16. *amount of other accrued payments as of the reporting date.*
- 4.17. *principal amount repaid.*
- 4.18. *amount of interest and/or other payments made.*
- 4.19. *region (city/district) where the loan was granted (legal address for a legal entity, registered address for a consumer).*

- 4.20. *currency.*
- 4.21. *date of issue.*
- 4.22. *payment date specified in the initial agreement.*
- 4.23. *contractual maturity, including extensions, re-executions, restructurings, and other modifications.*
- 4.24. *maturity (in months).*
- 4.25. *amount payable per the agreed installment schedule under the agreement (principal, interest, and/or other payments).*
- 4.26. *annual interest rate.*
- 4.27. *effective annual interest rate.*
- 4.28. *the type of interest rate:*
 - 4.28.1. *stable.*
 - 4.28.2. *variable.*
- 4.29. *last repayment date as of the reporting date.*
- 4.30. *the loan amount repaid through the recognition of collateral on the balance sheet (if collateralized).*
- 4.31. *amount forgiven by the credit institution.*
- 4.32. *amount paid through collateral realization.*
- 4.33. *write-off balance of the loss asset for the borrower.*
- 4.34. *overdue portion of the principal.*
- 4.35. *purpose of the loan:*
 - 4.35.1. *acquisition of working capital and current expenses.*
 - 4.35.2. *expenses related to the acquisition, construction, and reconstruction of real estate.*
 - 4.35.3. *expenses related to the acquisition of equipment.*
 - 4.35.4. *capital expenditures.*
- 4.36. *source of financing:*
 - 4.36.1. *at the bank's expense.*
 - 4.36.2. *at the expense of specialized public agencies:*
 - 4.36.2.1. *loans granted at the expense of the Azerbaijan Business Development Fund.*
 - 4.36.2.2. *loans granted at the expense of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan.*
 - 4.36.2.3. *loans granted at the expense of the Agrarian Credit and Development Agency under the Ministry of Agriculture of the Republic of Azerbaijan.*
 - 4.36.2.4. *loans granted at the expense of other specialized public agencies.*
 - 4.36.3. *at the expense of funds attracted from foreign organizations.*
- 4.37. *has there been a need to involve additional sources of funds to ensure loan repayment (e.g., sale of property, additional funds from the borrower) or provide additional collateral?*
- 4.38. *are loan assessment documents available in the credit file?*
- 4.39. *the branch where the loan was granted:*
 - 4.39.1. *the branch name.*

- 4.39.2. *the branch code.*
- 4.40. *loan-related disputes:*
 - 4.40.1. *under court proceedings.*
 - 4.40.2. *court decision is available.*
 - 4.40.3. *under consideration in a mediation process.*
 - 4.40.4. *settlement agreement concluded through mediation.*
 - 4.40.5. *application submitted for claim enforcement based on an enforcement note.*
 - 4.40.6. *not available.*
- 4.41. *payment frequency of principal and interest and/or other payments under the contract (expressed in days):*
 - 4.41.1. *frequency for principal (specify if at the end of the term).*
 - 4.41.2. *frequency for interest and/or other payments (specify if at the end of the term).*
- 4.42. *amount of the last payment on the principal.*
- 4.43. *amount of the last payment on interest and/or other payments.*
- 4.44. *contractual grace period for the principal (expressed in days from the loan disbursement date).*
- 4.45. *note on the use of behavioral models during the loan granting process (Yes/No).*
- 4.46. *insurance of the borrower against death or loss of working capacity:*
 - 4.46.1. *name and TIN of the insurer (if an insurance agreement was concluded).*
 - 4.46.2. *validity of the insurance agreement (if an insurance agreement was concluded).*
 - 4.46.3. *insurance agreement not concluded.*

5. Securitization:

- 5.1. *means of securitization:*
 - 5.1.1. *collateral (mortgage):*
 - 5.1.1.1. *type:*
 - 5.1.1.1.1. *immovable property.*
 - 5.1.1.1.2. *movable property.*
 - 5.1.1.1.3. *funds in the account.*
 - 5.1.1.1.4. *other.*
 - 5.1.1.2. *pledged item and its description.*
 - 5.1.1.3. *value (in manats).*
 - 5.1.1.4. *estimated market value of the collateral.*
 - 5.1.1.5. *name of the public authority (institution) that has registered encumbrance on the collateral and the registration date.*
 - 5.1.1.6. *number of the registration certificate of the pledged property (if any).*
 - 5.1.1.7. *information regarding the valuation of the collateral:*
 - 5.1.1.7.1. *date of the latest valuation by the bank.*
 - 5.1.1.7.2. *date of the latest valuation by an independent appraiser (if any).*
 - 5.1.1.7.3. *identification details of the independent appraiser (if an individual – first, last, middle names; if a legal entity – full name of the entity).*

5.1.1.8. *information regarding insurance of the collateral:*

5.1.1.8.1. *name of the insurer and TIN (if an insurance agreement is concluded).*

5.1.1.8.2. *validity of the insurance agreement (if concluded).*

5.1.1.8.3. *no insurance agreement has been concluded.*

5.1.2. *guarantee by a guarantor.*

5.1.2.1. *if an individual guarantor:*

5.1.2.1.1. *1st, last, middle names.*

5.1.2.1.2. *type and number of identity document.*

5.1.2.1.3. *PIN (if any).*

5.1.2.1.4. *place and date of birth.*

5.1.2.1.5. *TIN (if any).*

5.1.2.2. *if a legal entity guarantor:*

5.1.2.2.1. *name.*

5.1.2.2.2. *TIN.*

5.1.3. *guarantee.*

5.1.4. *secured.*

5.1.5. *other.*

5.2. *the group of the collateral based on the 'Regulation on asset classification and creation of specific reserves for loan loss provisioning' approved by the Management Board of the Central Bank on 22 July 2022, Decision No. 29/1-1.*

6. Other information:

6.1. *name of the institution providing a guarantee or subsidy for the loan.*

6.2. *have documents confirming the use of the loan for its intended purpose been submitted? (if a business loan).*

6.3. *information on whether it is a project financing loan, in accordance with the 'Regulation on prudential regulation of project financing loans' approved by the Management Board of the Central Bank on 24 October 2022, Decision No. 46/1;*

6.4. *information on the hedging of the borrower (if a foreign currency denominated loan).*

6.5. *the credit risk group, according to the 'Regulations on calculation of bank capital and its adequacy' approved by the Management Board of the Central Bank on 24 April 2020, Decision No. 16/1-2, (if the loan belongs to two different risk groups, the higher risk group is indicated).*

6.6. *amount of risk weighted assets.*

6.7. *Regarding the refinancing of the loan (excluding restructuring):*

6.7.1. *changes to the loan agreement for reasons not related to borrower's financial difficulties.*

6.7.2. *reduction of the loan interest rate by the bank due to competition;*

6.7.3. *regular refinancing of working capital.*

6.7.4. *refinancing for financing a new project;*

6.7.5. *other.*

6.7.6. *no.*

6.8. *regarding restructuring:*

- 6.8.1. *total number of restructurings.*
- 6.8.2. *number of restructurings since the effective date of the 'Regulation on asset classification and creation of specific reserves for loan loss provisioning' approved by the Management Board of the Central Bank on 22 July 2022, Decision No. 29/1-1.*
- 6.8.3. *outstanding principal amount at the date of the latest restructuring.*
- 6.8.4. *outstanding interest and/or other payments at the date of the latest restructuring.*
- 6.8.5. *classification category of the loan at the date of the most recent restructuring, according to the 'Regulation on asset classification and creation of specific reserves for loan loss provisioning' approved by the Management Board of the Central Bank on 22 July 2022, Decision No. 29/1-1.*
- 6.8.6. *number of overdue days of the loan at the date of the latest restructuring.*
- 6.8.7. *total number of overdue days of the restructured loan over the last 12 months.*
- 6.9. *are there significant delays in the schedule of work defined in the business plan? (Yes, No).*
- 6.10. *do total substandard assets of the borrower (group) constitute more than 20% of its (their) total liabilities?*
- 6.11. *is non-acceptance debiting permitted under the agreement?*
- 6.12. *provisions (reserves):*
 - 6.12.1. *provision rate for the principal debt.*
 - 6.12.2. *provision amount for the principal debt.*
 - 6.12.3. *provision rate for the interest debt.*
 - 6.12.4. *provision amount for the interest debt.*
- 6.13. *under International Financial Reporting Standard No. 9 'Financial Instruments', the following information regarding the loan determined under this standard for the financial year ended:*
 - 6.13.1. *stage classification of the loan.*
 - 6.13.2. *provision amount for the loan.*
 - 6.13.3. *Debt Service Coverage Ratio (DSCR).*
- 6.14. *the loan classification category in accordance with the the 'Regulation on asset classification and creation of specific reserves for loan loss provisioning' approved by the Management Board of the Central Bank on 22 July 2022, Decision No. 29/1-1.*
- 6.15. *the number of days past due from the contractually specified repayment date of the loan principal.*
- 6.16. *the number of days past due from the contractually specified payment date of interest and/or other payments.*
- 6.17. *information on the borrower's rating:*
 - 6.17.1. *internal bank risk rating.*
 - 6.17.2. *rating assigned by an external institution.*
 - 6.17.3. *name of the rating agency (if assigned by an external institution).*
- 6.18. *information on the legal status of the borrower as an economic agent (public authority/agency, state enterprise/organization, business entity, etc.).*
- 6.19. *portfolio classification of the loan:*
 - 6.19.1. *consumer;*
 - 6.19.2. *real estate-related.*

6.19.3. *business.*

6.19.4. *other.*

7. Information on individual borrower:

7.1. *general information:*

7.1.1. *first, last and middle names.*

7.1.2. *type and number of the identity document.*

7.1.3. *place and date of birth.*

7.1.4. *PIN (if any).*

7.1.5. *status regarding whether the individual is deceased or missing, or has been declared deceased, legally incapacitated, or partially incapacitated (yes/no);*

7.1.6. *TIN (if any).*

7.1.7. *status regarding whether the private entrepreneur is deceased or missing, or has been declared deceased, legally incapacitated, or partially incapacitated (yes/no).*

7.1.8. *whether the individual entrepreneur has been declared bankrupt (yes/no).*

7.2. *information on the borrower's income:*

7.2.1. *net income (in manat or foreign currency).*

7.2.2. *Debt-to-Income ratio (DTI) (if a consumer loan).*

7.2.3. *if the DTI ratio for this loan exceeds 45%, the number of days past due during the last 12 (twelve) months.*

7.3. *information on the borrower's employment:*

7.3.1. *name of employer (if any).*

7.3.2. *employer's TIN (if any).*

7.3.3. *unemployed.*

7.3.4. *indication of private entrepreneur status.*

7.4. *information on whether the borrower has an active card with the bank for salary, pension, or social payments:*

7.4.1. *salary card.*

7.4.2. *pension card.*

7.4.3. *card for social payments (allowances and other social payments).*

7.4.4. *not available.*

7.5. *distribution of consumer loan borrowers by field of activity:*

7.5.1. *employed in:*

7.5.1.1. *public authorities (agencies) or the private sector:*

7.5.1.1.1. *mining industry.*

7.5.1.1.2. *processing industry.*

7.5.1.1.3. *other industrial sectors.*

7.5.1.1.4. *agriculture.*

7.5.1.1.5. *construction.*

7.5.1.1.6. *transport.*

7.5.1.1.7. *information and communication.*

- 7.5.1.1.8. *trade.*
- 7.5.1.1.9. *education.*
- 7.5.1.1.10. *healthcare.*
- 7.5.1.1.11. *arts.*
- 7.5.1.1.12. *banking.*
- 7.5.1.1.13. *other.*
- 7.5.2. *pensioner.*
- 7.5.3. *unemployed.*
- 7.5.4. *foreign economic activity (if any):*
 - 7.5.4.1. *export.*
 - 7.5.4.2. *import.*
 - 7.5.4.3. *both.*

8. Information on the legal entity borrower:

- 8.1. *general information:*
 - 8.1.1. *name.*
 - 8.1.2. *TIN.*
 - 8.1.3. *name of the head of the executive body.*
 - 8.1.4. *information on qualifying holding (10% or more of charter capital and/or voting rights): if an individual: first, last and middle names, PIN of the identity document (if any), type and number of the identity document, date of birth; if a legal entity: full name and TIN of the legal entity.*
- 8.2. *classification of business entities by size criteria (if a business loan):*
 - 8.2.1. *micro.*
 - 8.2.2. *small.*
 - 8.2.3. *medium.*
 - 8.2.4. *large.*
- 8.3. *has the borrower operated at a loss for more than one year (except for cases where operating at a loss for a certain period is envisaged in the borrower's business or strategic plan)?*
- 8.4. *foreign economic activity (if any):*
 - 8.4.1. *export.*
 - 8.4.2. *import.*
 - 8.4.3. *both.*
- 8.5. *information related to reports reflecting the borrower's financial position (if any):*
 - 8.5.1. *reporting date.*
 - 8.5.2. *type of report:*
 - 8.5.2.1. *financial statements (if any, including financial statements audited by an external auditor together with the auditor's opinion).*
 - 8.5.2.2. *reports submitted to tax authorities.*
 - 8.5.2.3. *other.*
 - 8.5.3. *total revenue.*
 - 8.5.4. *profit before interest, taxes and depreciation.*

- 8.5.5. *profit before interest and taxes.*
- 8.5.6. *interest expenses on interest-bearing liabilities.*
- 8.5.7. *net profit.*
- 8.5.8. *total assets.*
- 8.5.9. *foreign currency denominated assets.*
- 8.5.10. *foreign currency denominated liabilities.*
- 8.5.11. *interest-bearing liabilities.*
- 8.5.12. *total liabilities.*
- 8.5.13. *foreign currency denominated interest-bearing liabilities.*
- 8.5.14. *total equity.*
- 8.5.15. *has the borrower been declared bankrupt (yes/no).*