Use of credit registers for financial and external statistics in Lithuania

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Introduction

In the early nineties in Lithuania, two separate loan registers were established in the central bank (the Bank of Lithuania - BoL) for two different purposes: (i) to serve domestic credit institutions and their supervision, and (ii) to monitor external financial exposures of the companies. Both registers recorded information on a loan-by-loan basis. In 1993, the Foreign Credit Register (FCR) was initiated by the joint resolution of the Government and the BoL at the time of lifting all former capital controls as a relevant trade-off of monitoring. Later, in 1999, in the midst of an economic crisis triggered by the contagion from the external sector, the mandate was reaffirmed in the Foreign Currency Law which stipulated to maintain a complete foreign loan register for financial and non-financial corporations. The other loan register is the Loan Risk Database, which was legally established in 1995 and became operational a year later, in 1996.

Since its introduction, this register covered the loans extended by the resident banks and the foreign bank branches operating in Lithuania. In 1999, the coverage was extended when the banks and the branches of foreign banks started to provide data on the lending of their financial subsidiaries. In order to comply with the common practice in many countries, we refer to the register throughout this article as the Central Credit Register (CCR). To date, both registers have always had the administrative legal status, though they have been increasingly used for statistical purposes. For the FLC, the statistical use became primary.

With the recognition that the statistical use of loan registers should be expanding gradually, there was a growing perception that statisticians were best fit to ensure the development of the loan registers. The Statistics Department of the BoL (SD) took over the full responsibility for the maintenance of the FLC in May 2007, and for the CCR in February 2009. While the maintenance of the FLC was assumed by the SD in one go, the process of taking on the full responsibility for the CCR took a year and a half, starting in September 2007. A well-planned administrative transition of the CCR consisted of a few consecutive stages. At the time, the SD had gathered a relevant experience in running transaction-by-transaction statistical registers: the security-by-security Statistical Information System of Securities Issues and Statistical Information System of Holdings of Securities; therefore, in many respects, the tasks were familiar to the SD.

All in all, in 2009 the SD was finally maintaining both administrative loan-by-loan registers, which were designed by non-statisticians with many implied inconsistencies and inefficiencies. That constituted a stark contrast with the security-by-security registers designed by the SD for the exclusive statistical use. At the time, the FLC and CCR datasets were evidently suboptimal for statistical use, but, by and large, the same had to be said about the registration procedure and the overall IT design. The registers lacked comprehensive methodological explanations of the concepts; the data quality indicators were neither defined nor monitored, while data quality management was largely limited to the syntactic checks. A part of the CCR data provided by the banks was available elsewhere or was of very little use. Although, according to the legal foundation, the FLC was designed to directly serve the production of balance of payments and international investment position, it remained a secondary source until 2008 because of pure data quality and low response rate; however, even in this shape it could be directly employed for the sampling of external statistics. Similarly, the design of the CCR hampered its wider use for financial stability and monetary statistics. As the Ministry
of Finance (MoF) was running a third loan-by-loan register, which recorded the public borrowing and state guarantees, it created additional demand for consistency and reconciliation of the registers.

After the loan-by-loan registers were transferred to the Statistics Department, the first urgent questions emerged: how to ensure their effective use for both statistical and administrative needs, how to redesign what should be collected and how it should be collected and, at the same time, avoid excessive reporting burden or negative implications for the ordinary administrative use. The acting legislation made clear that the current administrative use could not be subordinated to statistical use.

This article endeavours to explain that the FLR and the CCR can serve well the production of statistics by allowing to aggregate statistical information and providing important breakdowns which cannot be compiled from any other statistical or administrative sources. Being the registers of individual transactions, they serve well to accommodate ad hoc statistical requests. Moreover, the maintenance of the registers can be cost effective, keeping the reporting burden proportional and justified. To achieve these aims, the reporting forms, collection methods, data quality management had to be changed to better reflect the new needs of external, monetary and financial stability statistics. Due to the extensive differences of the registers, they cannot be integrated into a single one, however, the datasets can be effectively reconciled and harmonised. In the next two sections, we examine the developments of the FLR and the CCR for better statistical use, how and why they were created, modified and used. In the last section, we summarise and compare both registers by providing a table, where around 30 features of both registers are compared against each other. To conclude, we explain why it is beneficial to have two separate registers for financial statistics and administrative purposes.

Judging by the country count, we might be easily misled that managing the FLR is a relatively unconventional statistical practice. By contrast, keeping the population count, having in mind that China, India, Brazil, Ukraine, the Philippines and some other countries operate their foreign loan registers, we are rapidly approaching the half of the world population. Thus, good statistical practices on this issue matter a lot. By this count, the FLR might be even more widespread in statistical use than the CCRs.

**Foreign Loans Register**

The FLR in Lithuania was rebuilt from an administratively designed register into the coherent statistical instrument in 2008, whereas the legal grounds in the Foreign Currency Law (1999) were sufficient and sound. The reporting forms were redesigned to include the economic relationship between a debtor and a creditor, information on the type of the loan, syndication of the loan, and the repayment schedule. To balance the reporting burden, the collection of the data about the reporting agent, which was available from other administrative sources, was discontinued, whereas the sound methodological definitions were provided and the IT assisted means of reporting were set up. Furthermore, the response rate and data quality were raised after the tax authorities started auditing whether the loans are registered in the FLR as a part of their conventional tax audits.

The wide statistical use of the FLR became possible after the registration forms were aligned with statistical needs in August 2008. The new loan registration forms were designed to improve the usefulness of the FLR as a source for the production of the external sector statistics. At the time, it was clear that the FLR is the richest available source for compiling external debt statistics, especially: (i) external debt position: short-term remaining maturity; (ii) debt-service payment schedule for outstanding external debt; (iii) external debt position: foreign / domestic currency composition by major currencies.

The Foreign Loans Register (FLR) records both granted and received loans of resident legal entities (S.11, S.12, S.141 and S.15) vis-a-vis all non-residents. The loans of the central government (state loans) and private sector loans with state guarantees are not registered in the FLR, as they are covered by the corresponding loan-by-loan register in the Ministry of Finance. This third national loan-by-loan register is, quite sadly, not the subject of this investigation. It is important to notice that in the FLR on the resident side the reporting requirement applies to legal entities, but on the non-resident side (S.2) individuals representing
households do naturally appear, as individuals (non-residents) are borrowing from and lending to the Lithuanian companies. Thus, all these loans granted to or received from the foreign economic entities, companies or individuals must be registered in the FLR if they are not registered in the other register administered by the MoF.

At present, the FLR data are used for cross-checking with the initial quarterly survey data for the balance of payments (BoP) and the international investment position (IIP), especially against the items loans and income on debt. The cross-checking helps to ensure compliance with the reporting requirements. This by itself helps to reduce the size of revisions. Having in mind that the largest part of the BoP revisions are related to the investment income, it is an important improvement which helps to calculate the income on debt component for the first quarterly dissemination of the BoP and the IIP. The benefits for the monthly BoP production are even more evident, as it allows updating the survey sample of reporting enterprises for the current month without any delay. Moreover, the BoL shares with the NSI (National Statistical Institute) the data from the FLR, which is one of the sources for creating a target population for FDI and collecting other financial transactions data from non-financial institutions. For completeness, we need to recall that in Lithuania the monthly sampling for the BoP survey is done by the BoL and the corresponding quarterly sampling by the NSI.

According to the amended FLR procedure, the registration form was revised to include the economic relationship between a debtor and a creditor, information distinguishing between conventional loans and credit lines, syndication of the loan, and the repayment schedule, as this information is necessary for the purposes of external statistics. Furthermore, in order to ensure data quality and the ease of compliance, the comments and tips about filling in the registration forms were added. The definitions of terms in the new registration procedure were improved: they became consistent with external statistics manuals.

The FLR does record flows of the principal, excluding interest on debt. Recording flows, not stocks, makes the register valuable for the flow accounts: the BoP and subsequent use in financial accounts of institutional sectors. The initial agreed amount of the loan is recorded with all the subsequent actual flows (disbursements and amortisation) related to the principal of the debt. The interest payments are always excluded. As the register has records of agreed amounts and subsequent flows, it is extremely useful for estimating the structure of the external debt in different breakdowns. As accounting for an individual loan in the FLR is performed in the currency of the contract, the outstanding amounts (stocks) of the loan are faithfully calculated from the flow information for the statistics purposes.

To achieve a better coverage of the FLR, it was critically urgent to raise the response rate, which was around 80% during that time. In fact, it was the first action undertaken by statisticians after assuming the responsibility. It was agreed with the State Tax Inspectorate to check whether a loan is registered at the BoL as a part of the tax audit. As a result of this procedure, the coverage and completeness of data in the BoL’s foreign loans register improved. This came at some cost to some enterprises, which paid 4 and 2 related fines in 2009 and 2010 respectively. Only after this quick fix, the issue of redesigning reporting forms to better serve the statistical production came into forefront, which has already been described.

The amendments of the registration procedure and a more intensive use of the FLR determined the need for a better IT application which would be able to support the attainment of these objectives. Both the FLR database and the IT system used for the registration procedure were redesigned after the reform of 2008. For usability and maintenance of the FLR, the new software tools were implemented, which ensured a smooth registration and retrieval of the data.

Summing up the statistical uses of the FLR, we see that it is used for sampling and to estimate structural compositions. The FLR is used to update annually the enterprise population in the statistical register for external statistics quarterly surveys, compile external debt statistics (by remaining maturity, debt by currency breakdown, debt service schedule) and generate breakdowns in the financial account both for the quarterly and monthly BoP and IIP. The geographical and maturity breakdowns for local government borrowing are compiled on a monthly basis from the FLR data. Moreover, the FLR is used in validating the
According to the current plans, the utility of the FLR will be increased further. It is planned that the FLR will be used as an important data source for the compilation of additional analytical position data (currency composition of assets and liabilities) according to BPM6 requirements. When improved quality of the register is achieved in the next couple of years, it is planned as an alternative data source for the compilation of the respective BoP and IIP items and is expected to reduce reporting burden on the institutional units participating in the monthly and quarterly survey. One important update that will be needed in a few years from now is the legal one. The Law on Foreign Currency will be revoked at the time of the introduction of the euro in Lithuania. Then, either the register shall become statistical or it shall be continued as the administrative register on the renewed legal basis.

After we have described statistically driven reforms of the FLR, let us reflect upon why and how this idea came to fruition in Lithuania. Though the FLRs are common in the world by some measures, as explained in the introduction, they are extremely rare in the EU countries. The fact that Lithuania runs this register is the peculiar outcome of several different circumstances. First, Lithuania was the country that in one go abolished all capital controls in 1993, at the time, when the BoP of Lithuania was not disseminated. Second, the financial position of the Lithuanian non-financial corporations was extremely vulnerable to external shocks during the last two decades. Furthermore, the country was the most exposed to the contagion from the Russian crisis out of all EU-27 countries. All in all, it took 15 years (1993-2007) to create an administrative register, and then a year to redesign it as described previously, and finally to integrate it into the statistical production of external statistics. Let us explain the logic of its creation, relating it to the necessities of the economic analysis.

Although the idea of creating the FLR in Lithuania was driven largely by the needs and peculiarities of the economy, the FLR gained its utility slowly over the last twelve years. In 1993, the FCR was initiated by the joint resolution of the Government and the BoL at the time of lifting all former capital controls, as a relevant trade-off. The BoL was given a mandate to register foreign loans. Just a month later, Article 4 of the newly adopted Law on Foreign Currency reintroduced the FLR in a different form. The MoF was foreseen as the registering authority; however, the approval of the registration procedure was delegated to the Government and the central bank. The law requested the MoF to register inter-state, inter-bank, international credit institutions and organisations foreign currency loans, both extended and received. On top of it, the private foreign currency loans were registered, if the Government provided the guarantee. Therefore, the private loans were requested to be registered in the MoF, if they were inter-bank or state guaranteed. Both pieces of legislation were evidently conflicting; as a consequence, no foreign loan was ever registered till the first loan was registered in the BoL in 1997, according to the above-mentioned joint resolution. Nevertheless, the actual registration of inter-bank foreign currency loans in the MoF was repeatedly delayed for six years till the provision of the law on the registration of inter-bank loans in the MoF was revoked in the amendments of 1999.

To ensure a credible implementation, the loan registration was consistently transferred to the Bank of Lithuania, as well as the right to approve of the registration procedure. Subsequently, the provisions of the law were never changed, remaining the same in 2011. In 1999, in the midst of the economic crisis triggered by the contagion from the external sector, the BoL’s mandate to register foreign loans was reaffirmed in the Foreign Currency Law, which requested to maintain a complete foreign loan register for financial and non-financial corporations.

In the beginning of 1999, when the jitters of the Russian financial crisis (1998-1999) were felt across all the economic sectors in Lithuania, the Law on Foreign Currency was hastily changed in order to redefine the FLR population, in line with what was approved in the joint resolution of 1993. The FLR had to register all loans taken without a state guarantee by the enterprises and the loans granted to foreign economic entities independently of the currency. Moreover, the amended law requested to register loans extended abroad, regardless of whether the creditor is an enterprise or a person. This rapid zeal for legal consistency and clear
institutional roles in data collection was driven by a somewhat unexpected detection. As the contagion of the Russian crisis spread out, the exposure of the Lithuanian banking system to the East was negligible, while, by contrast, the trade with Russia made up around a quarter of the entire international trade and shrank during the 12 months of the crisis nearly four times. As many trade-related credits were getting risky, the direct exposure of the Lithuanian non-financial corporations became huge. The Government was not even able to consider seriously eventual state aid activities, because the first unexpected finding was that it does not have the reliable data to start with. It was obvious that the comprehensive and even granular statistical data on external financial accounts was needed to manage economic shock of this size. The solution to have the loan-by-loan information allowed to aggregate the data for ad hoc requests. Though the driving idea in establishing the FLR was purely statistical, nevertheless, legally it was established as an administrative register and never changed its status to this day.

From 1999 to 2007, when the FLR was run by the International Department of the BoL, its existence came at risk during the preparation for the euro. From its creation to 2007, the FLR was run by the International Department, since it was conceived as an administrative register. When the preparations were made for the probable introduction of the euro in 2006, which did not happen at that time, the alternative option was considered that the euro area country does not need the detailed granular information about its external account. It is likely that if Lithuania had introduced the euro, the Law on Foreign Currency would have been abolished and the FLR discontinued. Since Lithuania was assessed as being not ready to introduce the euro, the Law on Foreign Currency and, accordingly, the FLR were retained. These views were supported by the fact that, in 2006, no euro area country disseminated comprehensive information about its external debt according to the IMF manual on external debt. Moreover, the ECB had no plans and maybe yet no interest in compiling different external debt breakdowns for the euro area according to the corresponding IMF guide. The last financial crisis has radically changed the views, as some euro area countries had to compile external debt statistics in a great rush backing their arrangements with the IMF. The crises make it clear that the external statistics is needed even for member countries of a monetary union.

When the decision was made in 2006 that Lithuania was not ready to join the euro area, it was nearly certain that the country will have to manage the next recession with the national monetary arrangements. Therefore, immediately after the described events, the BoL asked the IMF Statistics Department for the technical assistance on external debt compilation. Among the main findings was the recognition that the FLR is an excellent source of information and should be upgraded to serve better the statistical needs of the IIP and external debt. In 2007, recognizing the primary statistical use of the register, the management of the FLR was transferred to the Statistics Department of the BoL.

Central Credit Register

Since its establishment in 1995, the Central Credit Register was managed by the central bank, while it was extensively used by both the central bank and commercial banks. Though at first, according to the legislation, the CCR was established to assess creditworthiness of the borrowers, later it was naturally employed for banking supervision purposes of the central bank. In February 2009, the SD took over the maintenance and development of the CCR. As a result, many improvements in data quality management were completed that will assist the statistical production. The reporting burden has been reduced substantially during the last two years.

The Lithuanian CCR differs immensely from all other CCRs that are maintained in the NCBs in Europe. By and large, all the national central credit registers vary both in the reporting population, loan coverage and the level of detail. The important Lithuanian CCR’s features are presented in the comparative table in the next section for a quick overview. Out of them, the most distinct characteristic of the Lithuanian register is its online character, as the data on loans and its borrowers have to be reported in 5 working days. Though this feature does not directly add any additional value from the point of view of monthly statistical production, nevertheless, this increases the utility of the CCR. Hopefully, the more intensive use of the data
raises the demand for data quality in the CCR. As far as the author is aware, the only register within the EU bearing similar online features is maintained in Latvia.

The administrative aims and the data structure of the CCR evolved over years. The register was launched on the basis of Article 36 of the Law on the Bank of Lithuania, according to the earlier version of the law (1995), which gave a mandate to the bank to take measures to ensure effective functioning of the credit system. In the same year, the first set of rules for maintaining the CCR was approved by the resolution of the Board of the BoL. It is obvious that for effective functioning of the credit system the banks need to properly assess creditworthiness of the borrowers. Hence, the CCR became operational in 1996. Starting from 2002, the CCR regulation refers to the aim of supporting the banking supervision. The CCR system was naturally evolving on this administrative course till 2007, when it was recognised that CCR’s data quality was insufficient for any of the acclaimed administrative aims and that the best way to deal with the issue both in terms of data quality management and in terms of data recycling for the statistical use was to assign responsibility to the Statistics Department of the BoL. First, the SD was put partially in charge of the development of the IT system, namely for formulating requirements of the client side; second, it took over the administrative maintenance from the Payment System Department. Finally, the SD took over the full responsibility for the CCR. This step-by-step approach took a year and a half, till it was completed in February 2009. Later, it took nearly two years to reconcile definitions and reporting forms with all the stakeholders. The last amendment was approved in December 2010, which added to the reporting population of 16 commercial banks, including branches, all the credit unions, 71 in total, according to the situation in April 2011. The same decision decreased the reporting threshold of a loan to 290 euros (LTL 1000). Both amendments will take effect in the beginning of 2012. The information in the CCR covers the loans granted by banks and their financial subsidiaries, i.e. leasing and factoring companies.

The heavy administrative use of the register puts a lot of demand on the way the CCR is being redesigned. The commercial banks are the data providers and major users of the CCR data. In 2010, the system accommodated 230 000 data requests from the banks and foreign bank branches. By and large, this has driven the large part of the development agenda. First of all, the reporting of the loan repayment schedule was simplified in order to streamline the reporting of loans. Furthermore, the reporting of financial statements of enterprises (borrowers) was discontinued and the data from the Central Balance Sheet Office were provided instead.

The CCR requests to report flows, while the stocks are calculated consequently. The present reporting threshold for the loan is twofold: the banks provide the data about the borrower, if the total amount of the borrower’s loans exceeds LTL 50 000 or the borrower is in default on his obligations. On top of it, the banks may provide the information about smaller loans, if they wish. This gives to the loan portfolio a feature of a convenience sampling. A consistent way to deal with this issue was to reduce the threshold to the relevant level and apply it for each individual loan.

The FLR includes numerous attributes on the borrower and the loan, as well as a string of information on all the transactions, which makes it relatively rich, compared to other CCRs elsewhere, which are often based on stocks recorded at relatively rare frequency. This granularity of data was brought about by the intensive administrative use. It provides the following loan breakdows by:

- the type (credit line, consumer credit, mortgage credit, overdraft, leasing, factoring, repo, interbank loan, other);
- the type of credit protection including: (i) collateral (residential collateral, commercial collateral, financial collateral, etc.), (ii) two types of guarantees (guarantee and bail), (iii) insurance;
- the category of the borrower (central government and central banks, institutions, retail clients, corporates, others) – according to general regulations for the capital adequacy requirements;
- the currency;
- the residency of the borrower.

In December 2010, it was decided to discontinue the reporting of loans by NACE by the end of 2011.
This statistics on the breakdowns of loans by economic activity was disseminated with monthly frequency since 2004. Until the end of 2011, the CCR requests the reporting agents to classify each loan by the purpose of the loan using NACE. Hence, every loan is allocated to one of 16 NACE sections (A. Agriculture, hunting and forestry, B. Fishing, etc.). Regrettably, this is the only statistics compiled using the CCR which is published regularly in the monthly statistical bulletin.

From a practical standpoint, it is acceptable to generate a breakdown according to the NACE classification of the debtor by linking the CCR with the business register for statistical purposes maintained by the NSI. Since 2012, the loans in the CCR will be classified according to the principal activity of the borrower (NACE), which the NSI shares with the BoL.

The aim of being able to ensure the cross-check with monetary and financial institutions balance sheets is still pending, which requires high data quality. It was impossible to start the cross-check due to the high present thresholds of LTL 50000. In 2010, for data quality management purposes of the CCR, the list of quality parameters was introduced. When the threshold will be brought down to 290 euros in the beginning of 2012, as was legally approved in December 2010, then important necessary preconditions will be met.

The CCR was always used to answer ad hoc questions in financial stability analysis. Nevertheless, in the past the important constraint for its usefulness was the inconvenience of the IT system, because the task of regular micro-use prevailed over the need to aggregate the data. At this stage, the statistics based on the CCR data is increasingly used for various ad hoc financial stability analyses. In 2011, the exercise is conducted, which aims to analyse the solvency of households by bringing together the income data of households (from the social security authority) and the data of the CCR on the debt service of households’ loans. Collating these two datasets on the level of individual households provides a complete picture about the distribution of households’ ability to repay the loans. Unquestionably, the CCR is the most suitable source for stress testing exercises.

**Comparison of the registers**

The parallel experience in transforming two loan-by-loan registers into statistical ones was helpful for both of them by giving a sort of comparative benchmark, even though the developments of the FLR and the CCR followed their own ways, as we tried to explain above. Although both registers are transaction-by-transaction in nature, they differ in nearly every respect. The common part makes up a relatively short list: they record flows and they use the same basic attributes of the borrower. In all other respects, the differences largely prevail, which makes the integration of both registers into one impractical. Nevertheless, using them simultaneously, it is possible to aggregate the outstanding loans to the domestic financial sector and non-residents for each borrower. This, the author hopes, will prove valuable for the purposes of financial stability analysis or even for the individual credit risk analysis.

To make the differences between the registers clear, please explore the comparison table below. To facilitate the examination, let us recall that in 2010 the Lithuanian population amounted to 3.3 million and GDP per capita was EUR 8339.

**Table. The comparison of the FLR and the CCR**

(End-of-2010)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FLR</th>
<th>CCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted loans</td>
<td>Resident legal entities (S.11, S.12, S.141 and S.15) lending abroad</td>
<td>Banks and foreign bank branches (16 units, nearly all of S.122) and financial subsidiaries of banks (28 units, the part of S.123)</td>
</tr>
<tr>
<td>Reporting population</td>
<td>192</td>
<td>16</td>
</tr>
<tr>
<td>Number of the reporting agents</td>
<td>382</td>
<td>319,501</td>
</tr>
</tbody>
</table>
### Outstanding Loans

<table>
<thead>
<tr>
<th>Category</th>
<th>Individuals</th>
<th>Companies</th>
<th>Reporting population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding loans (units)</td>
<td>17</td>
<td>365</td>
<td>Resident legal entities (S.11, S.12, S.141 and S.15) borrowing abroad</td>
</tr>
<tr>
<td>Outstanding loans (EUR billions)</td>
<td>656</td>
<td>455,598</td>
<td>905</td>
</tr>
</tbody>
</table>

### Attributes of a Borrower (Debtor) Record

- Name, country, sector, relationship with creditor, identification number
- Name, country, sector according to the capital requirements directive, identification number

### Attributes of a Loan Record

- Date and number of agreement, agreed amount, currency, interest rate, ultimate repayment date, type of the loan, amount of the loan received, schedule of repayment
- Name of creditor, date and number of agreement, agreed amount, currency, interest rate, type of loan, purpose of loan, maturity of loan, type and value of loan securities (guarantee, warranty and pledged property), schedule of repayment, data of sold (transferred) loan, data of the loan written off, details about the borrower defaults on timely fulfilment of his obligations, loan value adjustment data

### Data on Stocks

- No; calculated from flows
- No; calculated from flows, unless the adjusted value of the impaired loan is provided

### Received Loans

- Yes
- Yes

### Data Storage

- No limit
- No limit, for outstanding loans‡

### Thresholds

- 0, for the defaulting borrower;
- 290, for other borrowers.
- 0, for repaid loans.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The timeliness for reporting (days)</td>
<td>15(^*), 5(^†)</td>
</tr>
<tr>
<td>Data storage (years)</td>
<td>No limit, 7, for outstanding loans‡; 14480, for repaid loans.</td>
</tr>
</tbody>
</table>

\(^*\) Calendar days.

\(^†\) Working days.

\(^‡\) Including nonperforming loans.
<table>
<thead>
<tr>
<th>Number of fines applied for reporting agents, 2010</th>
<th>2</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum size of the fine (EUR)</td>
<td>579</td>
<td>N/A</td>
</tr>
<tr>
<td>Institution applying sanctions</td>
<td>The State Tax Inspectorate</td>
<td>The Bank of Lithuania (BoL)</td>
</tr>
<tr>
<td>Major administrative (non-statistical) application</td>
<td>Tax and prevention of money laundering</td>
<td>In the BoL, (i) for banking supervision, (ii) for policies related with the stability of the financial system and monetary policy functions (in force since 2011), (iii) to assess creditworthiness of the borrowers</td>
</tr>
<tr>
<td>Prime source in the statistics area</td>
<td>External debt and the design of its sampling frame</td>
<td>Loans by economic activity</td>
</tr>
<tr>
<td>Critical source in the statistics area</td>
<td>Balance of payments and international investment position</td>
<td>Financial stability statistics and analysis</td>
</tr>
<tr>
<td>Application by the private sector</td>
<td>No</td>
<td>In credit institutions to assess creditworthiness of the borrowers</td>
</tr>
<tr>
<td>Number of private usage requests</td>
<td>N/A</td>
<td>230 089</td>
</tr>
</tbody>
</table>

**Historical dates**

<table>
<thead>
<tr>
<th>Legal mandate received</th>
<th>1993</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of the registration procedure in the BoL</td>
<td>1997</td>
<td>1996</td>
</tr>
<tr>
<td>Start of maintenance functions in the SD of the BoL</td>
<td>2007</td>
<td>2007-2009</td>
</tr>
<tr>
<td>Substantial methodological reconciliation conducted by the SD of the BoL</td>
<td>2008</td>
<td>2010</td>
</tr>
</tbody>
</table>

Hence, the list of the differences from a statistical point of view is rather long. The FLR relies on the direct reporting, while the CCR depends on the indirect reporting system. This implies many ensuing decisions which will advance these datasets.

The user needs originating from the analysis of past crises show that the Lithuanian registers capture the most sensitive credit flows between economic sectors on a granular level. The described registers capture three credit flows: mutual flows between S2 and S.11&S.12& S.14 1&S.15 and the flow from S12 to other sectors. The forth flow of government borrowing is captured by the register maintained by the MoF, which is not covered in this article. Needless to say, all modern financial crises, including the recent one, were triggered by these flows; thus, there is hardly any need for a new credit register to supplement the picture.

The level of the FLR automation should approach the level reached for the CCR. The request for web-based reporting system for the FLR was waiting in the pipeline for the last two years, while the automation issues in other areas were getting higher priority. In the meantime, some handwork is still being conducted. The request for the web-based reporting system foresees that reporting agents will have the opportunity to monitor their reported loan data. It could be debated whether for statistical purposes it would be more efficient to switch to monthly reporting, as the most frequent external statistics is monthly; however, it is not yet clear whether the monthly reporting system would be a real simplification. First, the present system does not request to aggregate the transactions, and second, there is no obligation to report, if there were no transactions.

The future development plans comprise resolving forthcoming legal issues for the FLR and a wider statistical use of the CCR. The extensive statistical use of the CCR still has to be advanced after forthcoming improvements in the loan coverage in 2011. After the Law on Foreign Currency is revoked before the
introduction of the euro, the legal base of the FLR will have to be changed. This makes the future statistical design dependent on the progress in the legislation determining the FLR.

REFERENCES (RÉFERENCES)

2. Resolution No. 123 of the Board of the Bank of Lithuania on the registration procedure in the Bank of Lithuania of the received foreign loans without state guarantees and on granted loans for foreign residents, 7 August, 2008 // www.lb.lt

RÉSUMÉ

In Lithuania, two separate loan registers are progressively used for statistical purposes: the Foreign Loans Register (FLR), which records both granted and received loans of all residents, except households, vis-a-vis all non-residents, and the Central Credit Register (CCR), which records loans extended by credit institutions and their subsidiaries. Both registers were started by the central bank in the nineties. The paper describes the gradual employment of these administrative databases for statistics and compares them.

Whereas the primary statistical application of the FLR is in external statistics, the CCR is used in financial stability statistics. Managing the FLR is a relatively unconventional statistical practice, compared to CCRs. The wide statistical use of the FLR became possible after the reporting forms were aligned with statistical needs in 2008. The FLR is used to update annually the enterprise population in the statistical register for external statistics quarterly surveys, compile external debt statistics (by remaining maturity, debt by currency breakdown, debt service schedule) and generate breakdowns both for quarterly and for monthly BoP and IIP. Geographical and maturity breakdown for local governments’ borrowing is compiled on a monthly basis from the FLR. Moreover, the FLR is used in validating the external statistics survey information.

The distinct feature of the Lithuanian CCR since its establishment is its online character: information on loans and borrowers is updated continuously. The CCR includes a lot of attributes on both borrowers and their loans together with the information on all transactions, which makes it relatively rich, compared to CCRs in other countries. Statistics based on the CCR data is increasingly used for financial stability analysis, including breakdowns of loans by NACE or ad hoc exercises.