

Brazil: Information exchange between the Public Credit Registry and the Private Credit Bureaus

Central Bank of Brazil – SCR3 Project

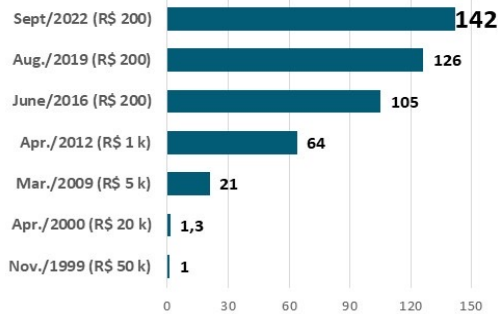
June 2023

Agenda

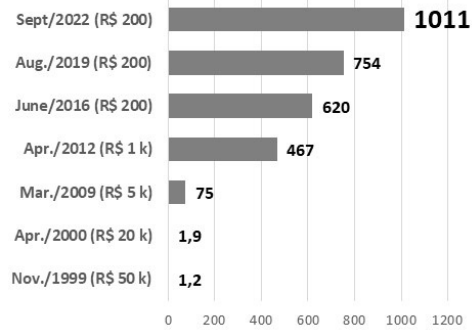
- **SCR Numbers and Architecture**
- **Background**
- **Information Exchange**

SCR in numbers

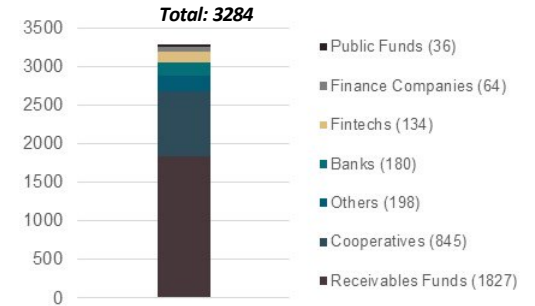
Client (million)



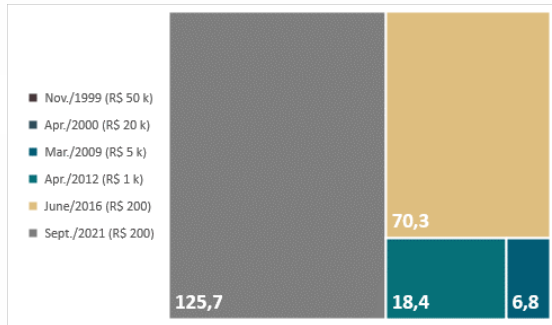
Operation/month (million)



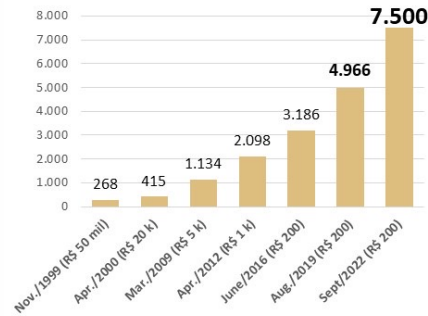
Number of institution



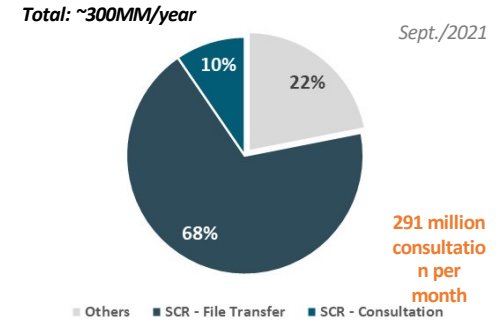
Terabytes



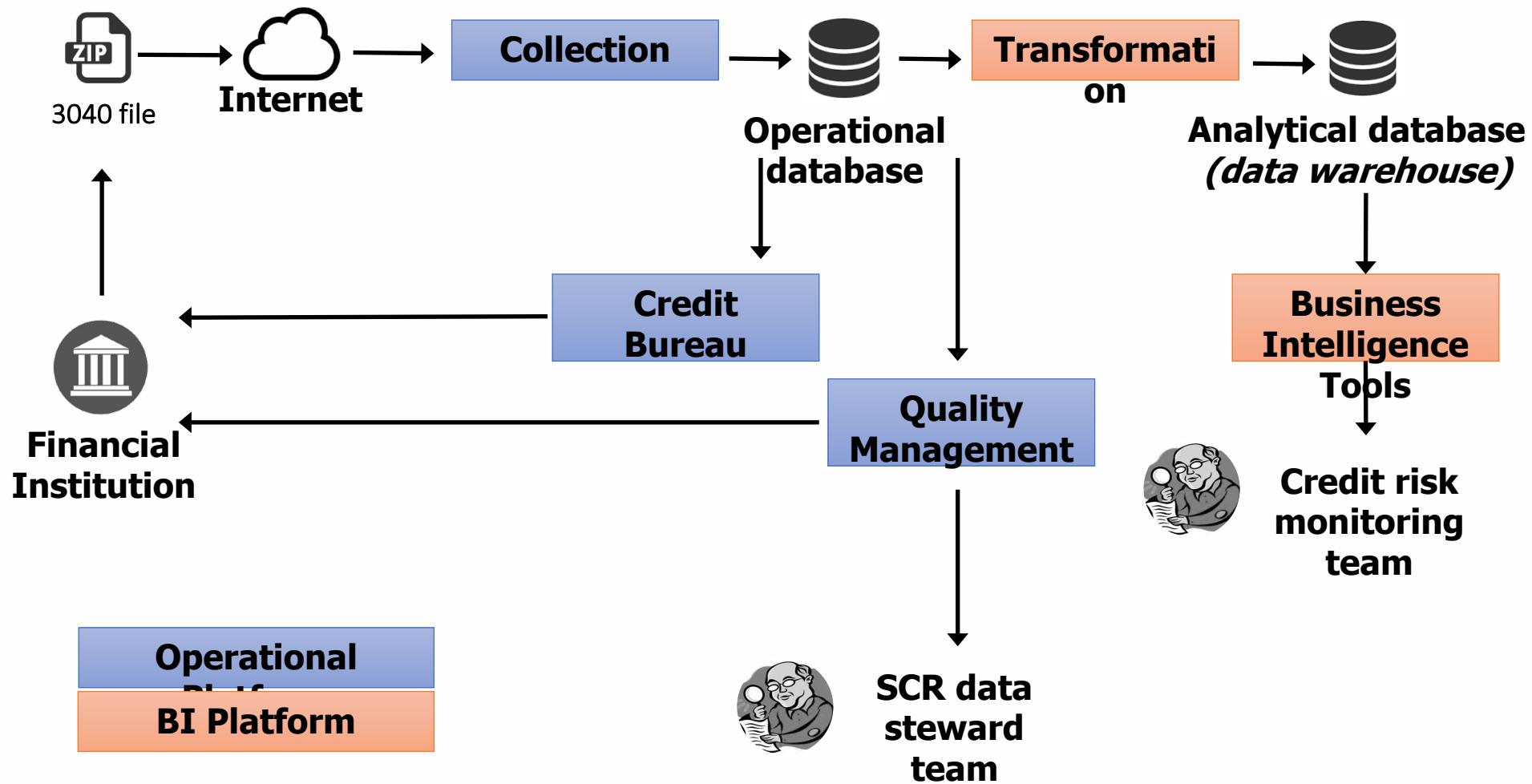
Identified Credit Amount (billion)



Income Share (%)

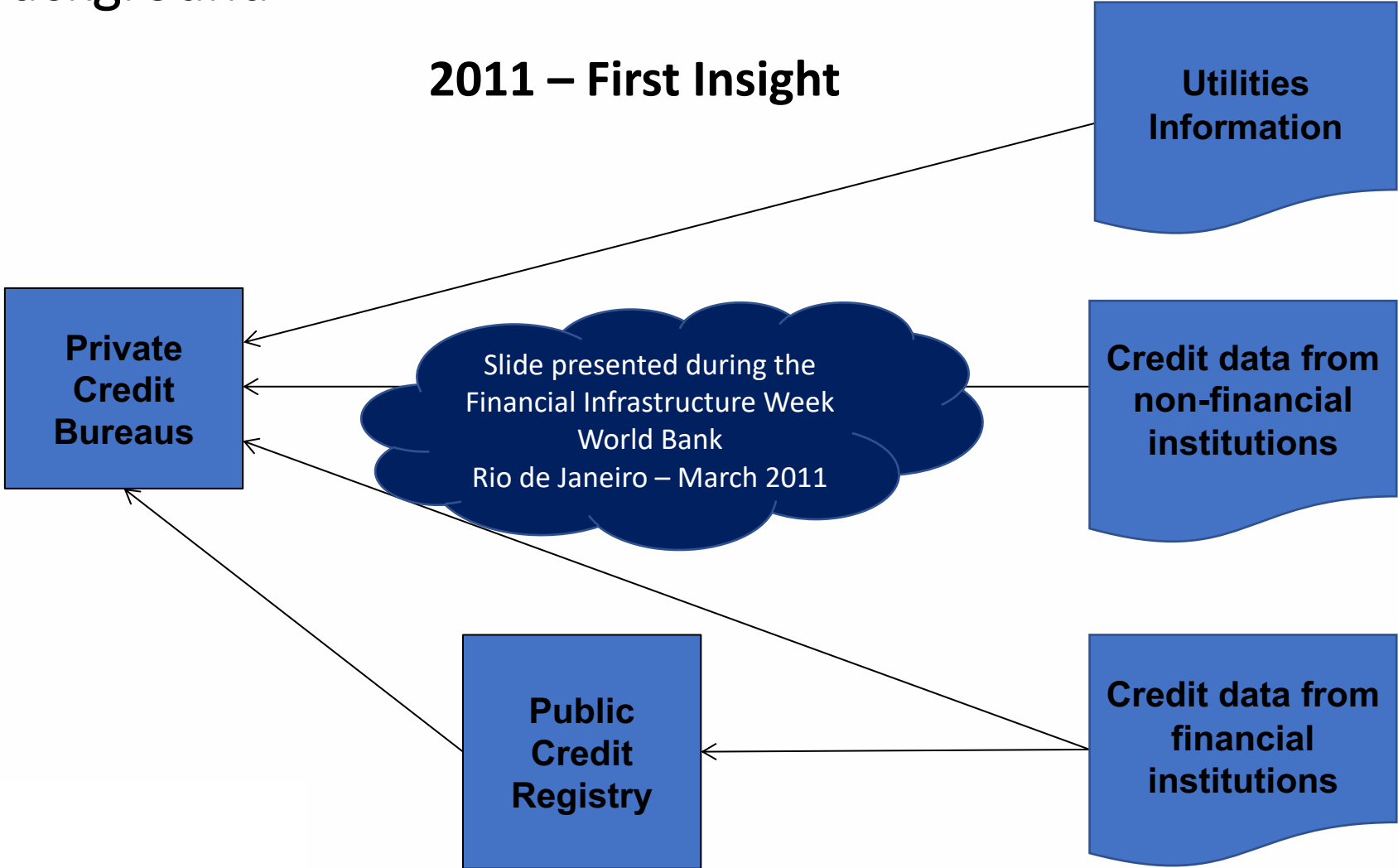


General Architecture



Background

2011 – First Insight



Background

- 2012 – PCBs Positive database Law was published - [Law nº 12.414 \(planalto.gov.br\)](http://planalto.gov.br)
 - ✓ Main difficulty: **optIn** → debtor must agree to participate in the database
 - ✓ Solution: Complementary Law 166/2019: **optOut** → debtor may demand their exclusion from the database
- PCBs were allowed to receive positive data about credit granted by financial institutions, non-financial institutions and positive information from Utilities
- However, the positive data about credit granted by the financial institutions (to be received by the PCBs) would be redundant with the information already received by the Public Credit Registry

Background

- 2017 – The insight idea (2011) on information exchange between the Credit Registry and the PCBs came up
- 2018 – Project Beginning (Central Bank of Brazil, ANBC and PCBs)
- Main Goal: Supplement information from both the PCBs and the Central Bank for achieving their goals
- First meetings between the BCB, the ANBC and the PCBs took place



Background

- March 2020 - Project interrupted due to the Covid-19 pandemic
- October 2020 – Project resumed
- Two working groups:
 - ✓ Technical Group: to discuss information to be exchanged between the Credit Registry and the PCBs
 - ✓ Legal Group: to establish the legal terms of the agreement between the Central Bank of Brazil and the PCBs

Background

- September 2022 – Resolution nº 5.037
 - ✓ Credit Information System – SCR (*Brazilian Credit Registry*) definition and characteristics (*new release*)
 - ✓ Article 10 → New command allows information sharing on on-going loans with the PCBs
- April 2023 - agreement sign
- May 2023 - information exchange began

Agreement main characteristics

- **Information secrecy must be observed by both participants** → secrecy breach consequences
- **Participants must not disclose the information received** - the Information should be used for internal processes only (PCBs – e.g. used for the construction of new credit scores; Central Bank – e.g. used for credit risk monitoring processes)

Information exchanged

- **Provided by the Central Bank monthly**
- **Provided by PCBs monthly**
- **Provided by PCBs on a quarterly basis**

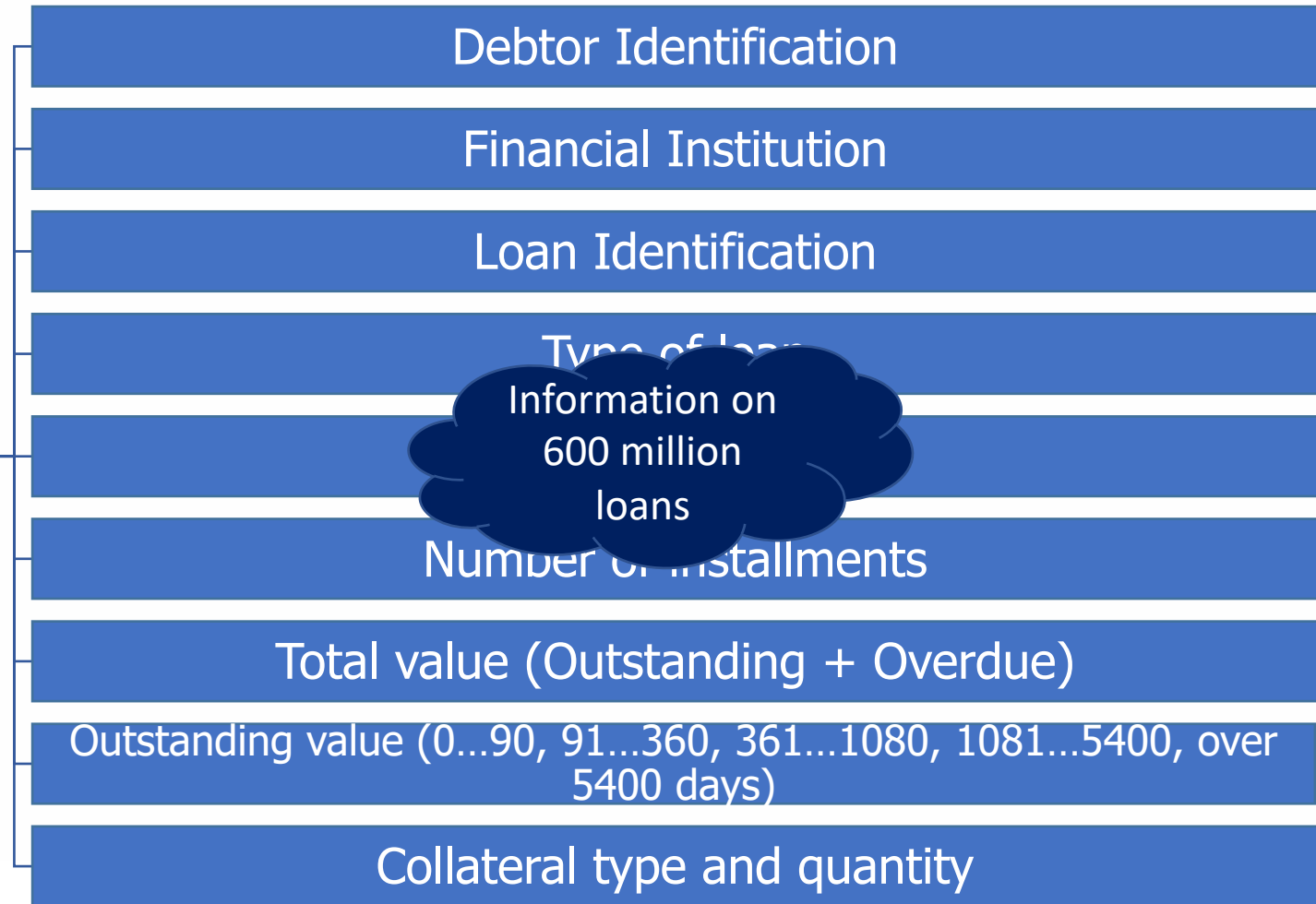
Information exchanged

**Provided
by PCBs
monthly –
OptOut
debtors**

Debtor Identification

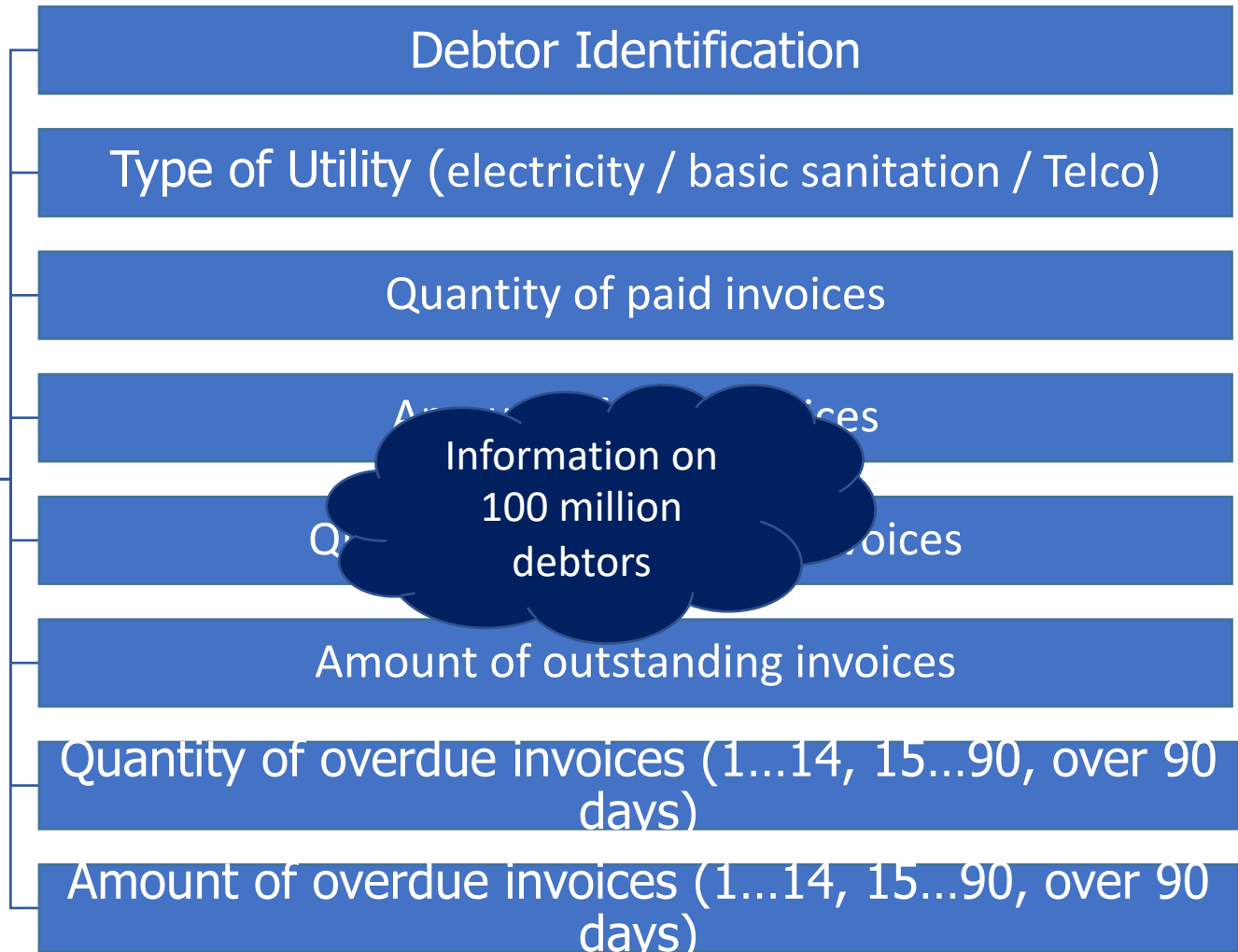
Information exchanged

**Provided
by Credit
Registry
monthly
– Loans
granted
by the
Financial
System**



Information exchanged

**Provided
by PCBs
monthly
–
Customer
Information
on
related to
Utilities**



Information exchanged

**Provided
by PCBs on
a quarterly
basis –
Score
information**



Thank You!

Banco Central do Brasil
Financial System Monitoring Department

Rogério Rabelo Peixoto - rogerio.rabelo@bcb.gov.br