

WESTERN HEMISPHERE CREDIT AND LOAN REPORTING INITIATIVE  
CENTRE FOR LATIN AMERICAN MONETARY STUDIES  
FIRST INITIATIVE  
THE WORLD BANK

# CREDIT AND LOAN REPORTING SYSTEMS IN ARGENTINA



DECEMBER 2008





WESTERN HEMISPHERE CREDIT AND LOAN  
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The opinions expressed in this paper are those of the authors and do not necessarily coincide with the position of the Center for Latin American Monetary Studies (CEMLA), FIRST, or the World Bank. The authors are solely responsible for any errors of omission or commission.

## Foreword

In August 2004, following a request from the central banks of Latin America and the Caribbean, the World Bank and the *Centro de Estudios Monetarios Latinoamericanos* (CEMLA), with the financial support of the FIRST Initiative, launched the Western Hemisphere Credit and Loan Reporting Initiative (WHCRI). The objective of the Initiative is to describe and assess the credit and loan reporting systems of the Western Hemisphere with a view to identifying possible improvements in their efficiency and integrity.

As part of the project structure, in August 2004 an International Consultative Committee (ICC) comprised of experts in various fields was established. In addition to CEMLA and the World Bank, the institutions participating in the ICC include multilateral institutions such as the Inter-American Development Bank (IADB), the International Finance Corporation (IFC) and the International Monetary Fund (IMF) and central banks such as the Bank of Canada, Banco de España and the Federal Reserve Bank of New York. To assure quality and effectiveness, the Initiative includes two important components. First, all studies are conducted with the active participation of country officials and the project builds upon the existing work undertaken in the respective country. Second, the Initiative draws upon international and national expertise on the subject, through the ICC, in order to provide guidance, advice and alternatives to current practice. The Initiative has undertaken a number of activities in response to requests by central banks from Latin America and the Caribbean. These include: the preparation of public reports containing a systematic in-depth description of each country's credit and loan reporting systems; the delivery of a confidential recommendations report to the authorities of each country; the organization of ICC meetings to review country studies and provide input for future work; the organization of workshops focusing on topics of specific interest; the creation of a web page ([www.whcri.org](http://www.whcri.org)) to present the Initiative's products and other information of interest in the field of credit reporting; and the promotion of working groups to ensure continuity in project activities.

CEMLA acts as the Technical Secretariat of the Initiative, with the main objective of making this process sustainable and extending activities to all countries within the Hemisphere. To this end, the Initiative has helped strengthen CEMLA's in-house expertise and broadened knowledge and the transfer of *know-how* across the Region. The efforts of the Working Groups coordinated by CEMLA shall maintain the structure created under the Initiative and will provide a permanent forum for the countries in the Region to discuss, coordinate and lend a collective impetus to work in the field of bank credit and loan reporting systems.

This report "*Credit and Loan Reporting Systems in Argentina*" is one of the public reports in the series and was prepared by an international team in collaboration with local representatives of the *Central Bank of Argentina*.

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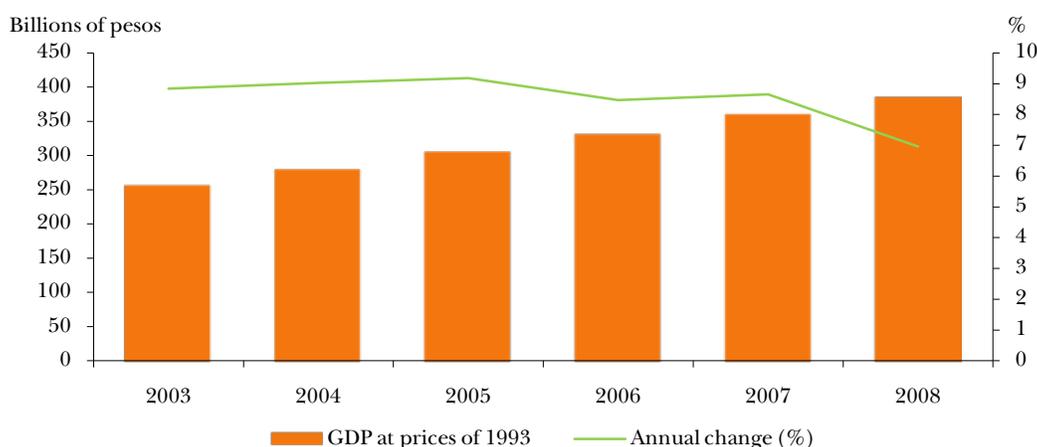


# 1 ECONOMIC AND FINANCIAL MARKET BACKGROUND

## 1.1 MAIN MACROECONOMIC ASPECTS DURING RECENT YEARS

The national and international macroeconomic context in which the Argentine economy has developed over the last few years has been somewhat changeable. As figure 1 shows, after the 2001-2002 economic crisis, the growth of the GDP underwent a strong recovery followed by a high and sustained level of growth. In 2003, and through 2008, the economic growth rate remained close to 10%. In fact, even in 2008, and in spite of the effects of the world crisis, the Argentine economy showed a high growth rate.

**FIGURE 1. GROSS DOMESTIC PRODUCT  
(FLOW IN BILLIONS OF PESOS AND ANNUAL GROWTH IN PERCENTAGE)**



SOURCE: *International Financial Statistics, IMF, April 2009.*

**TABLE 1. MACROECONOMIC INDICATORS**

	2002	2003	2004	2005	2006	2007	2008
GDP(real annual growth rate)	-10.9	8.8	9.0	9.2	8.5	8.7	7.0
FOB imports (USD millions)	8,473	13,134	21,311	27,300	32,588	42,525	54,557
FOB exports (USD millions)	25,651	29,939	34,576	40,387	46,546	55,980	70,021
Balance of payment (% of GDP)	8.6	6.3	2.1	2.9	3.6	2.8	2.1
Consumer price index <sup>a</sup> (%)	40.9	3.7	6.1	12.3	9.8	8.5	7.2
Unemployment (by period end, %)	na	14.5	12.1	10.1	8.7	7.5	7.3
Interbank balance interest rate <sup>b</sup> (%)	51.3	4.38	2.23	5.03	7.36	8.85	10.27
Nominal exchange rate (end of period)	3.36	2.93	2.97	3.03	3.07	3.15	3.45

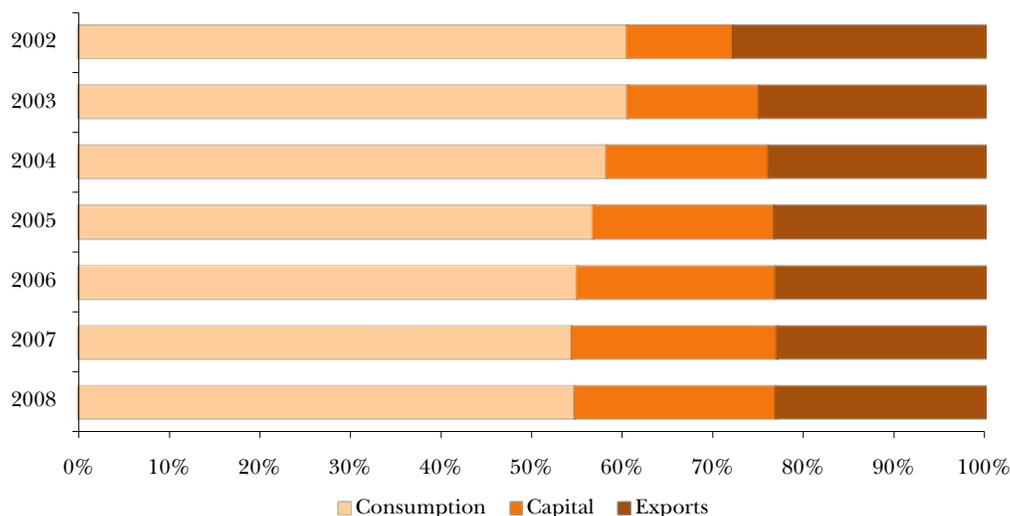
SOURCE: *Elaborated with data provided by BCRA, INDEC and the IFS of the IMF.*

NOTES: *The following notation conventions are used throughout this report: na shows that data is unavailable; "... " represents that data is not applicable; neg (negligible) is used when figures are too small in relation to other relevant figures in the corresponding table. <sup>a</sup> Annual growth rate. <sup>b</sup> Annual mean.*

According to the Boletín de Estabilidad Financiera, (2008, first semester) (financial stability bulletin) of Banco Central de la República Argentina (BCRA), the economic variables which could explain the better part of the growth of the GDP over the past few years are

gross fixed investment and consumer spending, which gathered a 190% rise since early 2002, particularly in the area of construction. This sustained growth (figure 2) also allowed for a drop in the unemployment rate.

**FIGURE 2. CONTRIBUTION BY EXPENDITURE COMPONENT TO GDP  
(IN PERCENTAGE)**



SOURCE: *International Financial Statistics, IMF, April 2009.*

## 1.2 MAIN REFORMS IN RECENT YEARS

Because of the economic crisis that overcame Argentina in 2001 and 2002, Decreto (decre) 1,570/01 was passed setting up a transitory restriction scheme to cash withdrawals from banking accounts (a strategy locally called *Corralito*). These restrictions also applied to bank transfers abroad and banned the export of foreign bills and coins (modified by Decreto 1,606/01 on restrictions to funds withdrawals). The crisis, which resulted in the abandonment of the peso-dollar peg, led to a series of reforms that included normative and legal changes to lessen the impact of the exchange rate changes on the economic agents, to reorganize the financial system, and to reactivate the economy.

The peso-dollar peg was formally abandoned by the Public Emergency and Exchange Regulations Reform Act (Ley 25,561). At first, two currency exchange markets were created (Central Bank Comunicación A 3,425): one official and one free. In the official market, certain operations which were approved by the BCRA were made at the fixed exchange rate of 1.40 Argentine pesos (ARS) per one US dollar (USD), while all the other operations were made according to the free market at a rate based on offer and demand. Then, by Decreto 260/02, this system was changed into one free exchange market.

Pursuant to Ley (Law) 25,562, the Central Bank's Carta Orgánica (charter) and the Ley de Entidades Financieras (financial entities act) were modified to allow for an independent monetary policy in order to grant the Central Bank more room for maneuver in the exchange market and to regulate a series of instruments in its function as a lender of last

resort to financial institutions in trouble. In this context, Ley 25,563 was passed to declare a state of productive and credit emergency. This Law affected financial institutions directly by suspending the legal enforcement actions against delinquent debtors for a fixed period of time.

Other legislation which brought about important changes to participants in the financial system was Central Bank Comunicación A 3,507, which regulated the reach of Ley 25,561 (Decretos 214 and 410/2002), establishing the conversion to local currency of all payment obligations in foreign currency. This conversion into pesos was carried out asymmetrically, converting loans at a rate of one peso for one dollar, while deposits were exchanged at ARS 1.40 for every dollar. In both cases, converted loans and deposits were indexed according to the *coeficiente de estabilización de referencia* (CER, reference stabilizing ratio), an indicator linked to the consumer price index (CPI).<sup>1</sup> According to Decreto de Reordenamiento del Sistema Financiero (214/02) (about the reorganization of the financial system), the imbalance created by the financial positions of certain financial institutions due to the asymmetrical peso conversion of assets and liabilities was to be compensated by issuing bonds and setting up an exchange scheme of deposits for treasury bonds. In line with Decreto 214, a payment scheme was set to pay reprogrammed deposits after the peso conversion. This new scheme meant a progressive reduction of restrictions to cash withdrawals. In order for the financial system to capture funds, BCRA allowed for the creation of deposits in pesos or in dollars for no less than 7 days, thus creating new transaction alternatives within the financial system.

Because of certain signs that pointed toward a stabilization of the financial system, in 2002, Decreto 668/02 issued by the Ministerio de Economía (Ministry of Economy) liberated all sight deposits, thus bringing to an end the so-called *Corralito*. In this way, all sight accounts became fully available.

### **1.3 BANKING SECTOR: RECENT REFORMS AND CURRENT STRUCTURE**

#### **1.3.1 Recent Reforms**

From 2002, BCRA focused on a strategy to restore the situation which started after the drop in deposits and at the end of convertibility. Particularly over 2002 and 2003, different measures were taken in order to facilitate the reorganization of the banking system and the reactivation of credit. Some of the normalization measures of the banking system included: *a)* containing the deterioration in the quality of portfolios allowing for a more benign treatment of defaulted debtors; *b)* more flexible requisites in refinancing of debtors, allowing for a level of provisions on the accounts (for additional credit) equal to that in regular credits, and *c)* facilitation of debt refinancing processes so that the defaulted account had better chances of recovery. In short, the normalization policy was geared toward fostering loans as well as recovering defaulted placements.

---

<sup>1</sup> A few months later, it was decided that certain loans to individuals were to be adjusted according to the *coeficiente de variación de salarios* (CVS, salary variation ratio).

An aspect which conditioned the normalization of the financial system was associated to the liquidity aid (such as advances and rediscounts) received by financial institutions according to article 17 of the BCRA Carta Orgánica. Through BCRA Comunicación A 3,941, the Central Bank set up a cancellation process for balances originated because of that aid.

In 2003, the prudential framework was revised to guarantee the development of a stable financial system with limited public sector exposure.

Among other measures, BCRA introduced changes in the methodology for asset valuation in the public sector and limits to its financing. The legal guidelines for credit risk asset classification were also revised: the basic ratio was reduced from 11.5% to 8%; certain conditions (associated to financing interest rates) for private sector financing were eliminated and public sector risk-weighting was pulled up. The risk assets interest rate was also revised to adapt it to a more volatile interest rate and to capture the real interest risk.

However, as the changes mentioned in the minimum capitals norms implied substantial raises in capital demands, BCRA lowered public sector capital demands and risk asset interest rates temporarily. In order to mitigate credit risk from debtors' cash mismatch, it was decided that foreign currency resources were to be applied to debtors with repayment capacity associated to the exporting sector or the import substitution sector.

### 1.3.2 Current Structure

The Argentine financial intermediation is carried out mostly in banking, with a high participation of public banks. Non-bank financial intermediaries include financial institutions and credit institutions. Investment funds, insurance companies, leasing and factoring make up the rest of the financial system. As table 2 shows, most merchant banks in Argentina are private and domestic; however, the two largest banks in terms of assets are public.

**TABLE 2. COMPOSITION OF THE ARGENTINE FINANCIAL SYSTEM  
(REGULATED BY BCRA), BY INSTITUTION TYPE**

	2002	2003	2004	2005	2006	2007	2008
Public Banks	16	15	14	13	12	12	12
Private Banks	63	60	59	58	60	56	55
Financial Institutions	19	19	16	16	16	16	15
Credit Institutions	2	2	2	2	2	2	2
<i>Total</i>	<i>100</i>	<i>96</i>	<i>91</i>	<i>89</i>	<i>90</i>	<i>86</i>	<i>84</i>

SOURCE: Banco Central de la República Argentina.

Table 3 shows that the loan granting activity has greatly increased over the past few years.

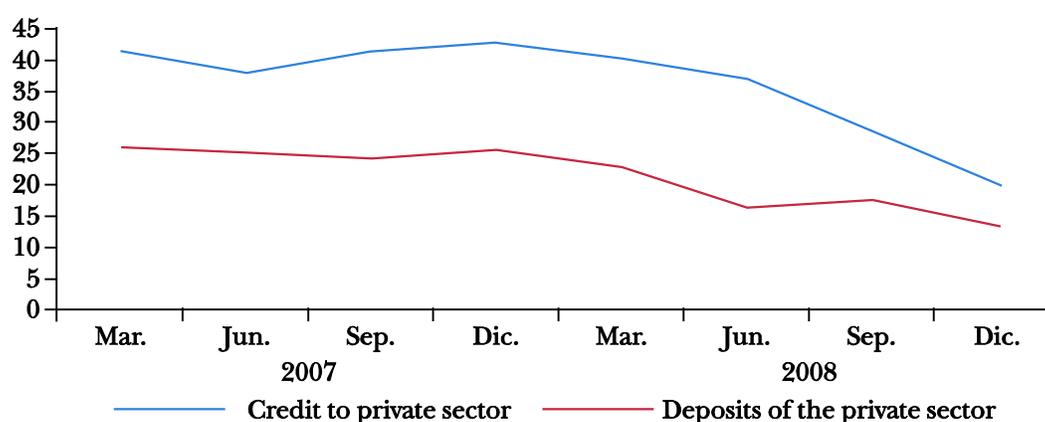
In this context of expansion of the financial system, financial institution coverage has also improved considering number of branches, increases in loan volume and private sector deposits (see figure 3).

**TABLE 3. LOANS GRANTED, BY INSTITUTION TYPE, IN MILLIONS OF USD**

	2002	2003	2004	2005	2006	2007	2008
Public banks	12,354	8,916	9,290	10,193	11,851	14,751	17,768
Private banks	19,177	19,099	19,322	21,277	26,560	33,118	32,731
Financial institutions	224	214	312	492	918	1,450	1,658
Credit institutions	6	10	20	43	79	115	122
Non-bank credit cards	-	93	581	904	2,710	1,795	1,845
Financial trust funds	2,635	2,204	1,753	2,223	1,864	2,501	2,208
<i>Total</i>	<i>34,397</i>	<i>30,537</i>	<i>31,278</i>	<i>35,133</i>	<i>43,982</i>	<i>53,731</i>	<i>56,333</i>

SOURCE: Banco Central de la República Argentina.

The level of intermediation of the financial system has behaved very favorably since 2004, with increases from up to 4% annually to variations of over 20% from 2006 to 2008, in spite of the effects of the international crisis.

**FIGURE 3. PRIVATE SECTOR FINANCIAL INTERMEDIATION  
(FUNDS VARIATION %, FINANCIAL SYSTEM)**

SOURCE: Banco Central de la República Argentina.

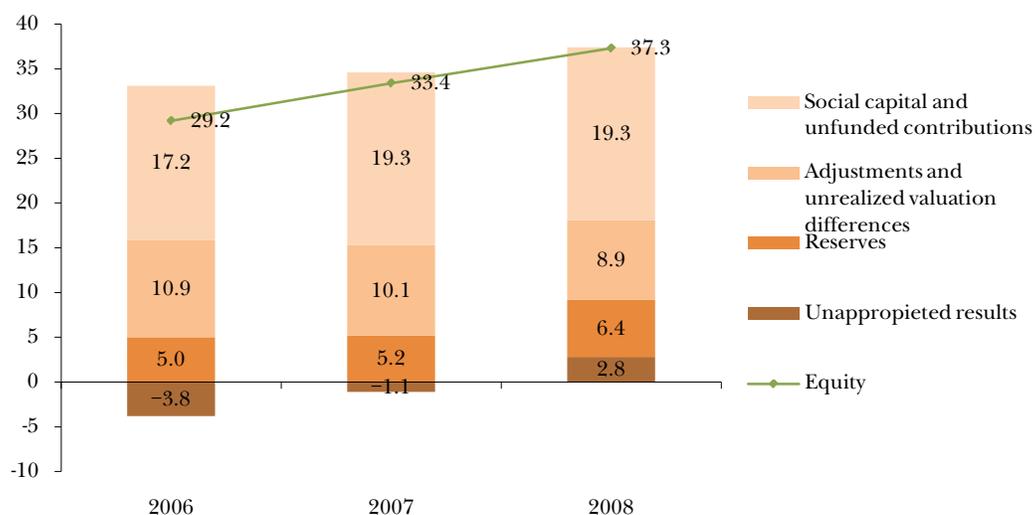
Figure 4 shows that net asset values in the financial system experienced a growing tendency in 2008. According to the Informe sobre Bancos<sup>2</sup> (banks report), having passed a period of asset restructuring with the help of share capital, profits with holding, and adjustments in the levels of reserves, the system is solid in terms of capital adequacy. Additionally, beyond international recommendations and local demands, in December the paid-in capital represented 16.8% of the risk-weighted assets of all financial institutions. The capital position (integration surplus over regulation demands) reached 91% by the end of 2008.

The level of profitability has also behaved positively in the last few years. By the end of 2008, the financial system enjoyed the fourth consecutive year of accounting profits. That year, the return on assets (ROA) of the system reached 1.5%, preserving the same level as 2007. Positive results were generalized, reaching 70 financial institutions, which represents

<sup>2</sup> BCRA (December, 2008).

96% of total assets. Private and public banks enjoyed profits for 1.9% and 1% of their assets respectively.

**FIGURE 4. COMPOSITION OF CONSOLIDATED NET ASSETS  
(IN BILLIONS OF PESOS)**



SOURCE: Banco Central de la República Argentina.

## 1.4 OTHER PRINCIPAL CREDIT-GRANTING INSTITUTIONS IN THE FINANCIAL AND NON-FINANCIAL SECTOR

### 1.4.1 Institutional Investors

Institutional investors encompass financial institutions dealing with investment, insurance and mutual funds among others which play an important role in the Argentine financial system.

**TABLE 4. COMPOSITION OF LOANS PORTFOLIO OF FINANCIAL SYSTEM  
(BY LOAN TYPE, IN MILLIONS OF USD)**

Sector	2002	2003	2004	2005	2006	2007	2008
Private non-financial	14,097	13,725	16,015	20,635	28,056	39,101	43,315
Trade	8,589	7,751	10,431	13,218	17,565	22,769	24,728
Mortgage	2,848	3,024	2,279	2,215	2,401	3,317	3,931
Consumer	1,628	1,803	2,435	4,140	6,545	10,112	12,330
Secured	338	268	193	404	699	1,125	1,319
Others	695	878	677	658	846	1,778	1,007
Public non-financial	13,830	11,797	10,686	8,744	7,056	5,600	5,237
Financial	3,835	2,719	2,242	2,626	4,296	4,734	3,727
Total	31,762	28,240	28,944	32,006	39,408	49,435	52,280

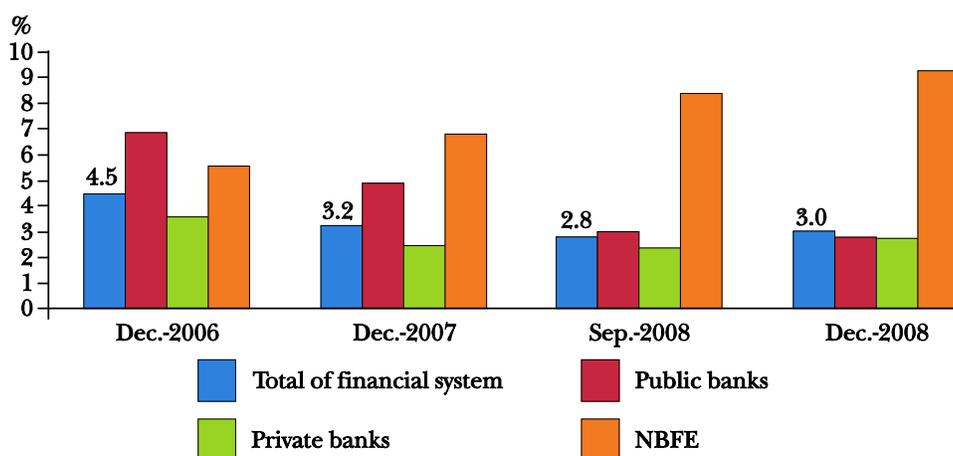
SOURCE: Banco Central de la República Argentina.

## 1.5 THE CURRENT CREDIT MARKET

After the combination of the correct financial and prudential policies and a renewed trust in financial institutions, depositors and loan applicants contributed to the reactivation of the credit market. Between 2003 and 2008, (table 4) a positive growth was observed in this market, accompanied by a drop in the delinquency rate in loans granted (figure 5).

The private sector loan growth –in dollars– was 11% in 2008, slowing down in relation to the percentage of 39% in 2007 as a consequence of the effects of the world crisis, which meant a smaller growth in placements and a slight devaluation of the peso. The commercial portfolio has the largest proportion in the whole of the credit portfolio of the financial system, remaining steady in some 60% since 2002. Personal loans represented by the end of 2008 28% of the total of private non-financial loans, followed by mortgage loans with 9% of the whole.

**FIGURE 5. IRREGULARITY IN PRIVATE SECTOR CREDIT  
(IRREGULAR PORTFOLIO TO FINANCING, %)**



SOURCE: Banco Central de la República Argentina.

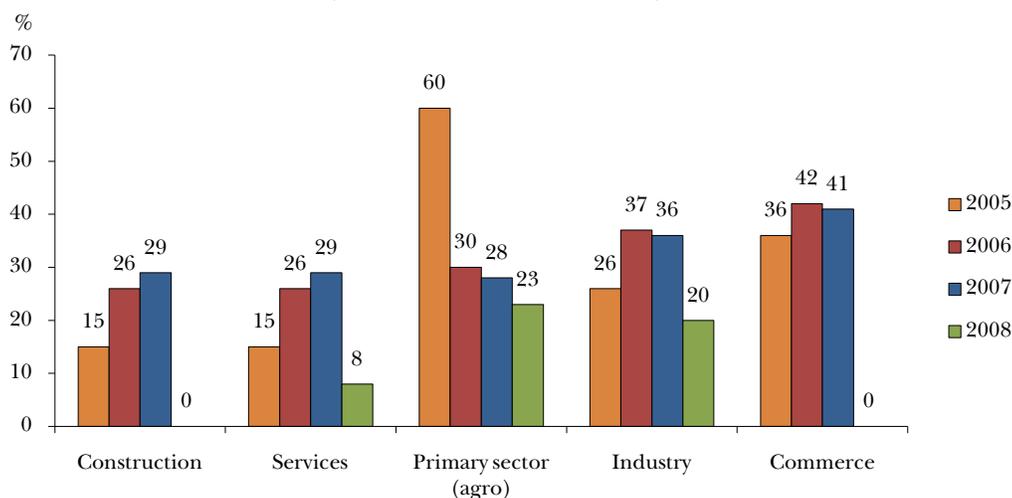
Personal loans represented the credit segment that most contributed to the credit portfolio growth in the private sector between 2002 and 2008, with an average rate of growth of 40%, followed by secured loans, with 25%, and trade credits with 19%.

After the 2001-2002 crisis, thanks to prudential flexibility introduced by BCRA to organize the financial system –particularly the credit market– and the economic growth and the reorganization of bank portfolios, delinquency in loans portfolios in the private sector was reduced significantly, averaging 3% in the last few years (figure 5).

### 1.5.1 Key Issues in Corporate Financing

In recent years, an expansion in the main productive areas of the economy has been observed amidst a constant growth in domestic and international demand. This growth has been accompanied by financing provided by the financial system, which in spite of the 2008 international crisis did not reduce its credit capacity in any productive area (figure 6).

**FIGURE 6. CORPORATE FINANCING BY COMPANY TYPE**  
(ANNUAL VARIATION, %)



SOURCE: Banco Central de la República Argentina.

### 1.5.2 Key Issues in Consumer Financing

Regarding family financing, a growth in consumer credit lines has been noted. These went from 12% of all non-financial private credits in 2002, to 29% in 2008. Adding to larger income –in part due to lower unemployment rates– the growth in family financing has meant larger spending.

A key aspect of this is connected to the measures set up by BCRA to facilitate consumer secured and mortgage financing to informal economy sectors. These measures modified the terms of documentation demands to apply for these credits, particularly allowing for the use of screening and credit scoring techniques instead of the traditional proof of income, which allowed to gauge income level and consequently assess repayment capacity.

This situation has been accompanied by a controlled management of the irregular portfolio. Figure 7 shows that consumer loan delinquency has consolidated its dropping tendency after the crisis.

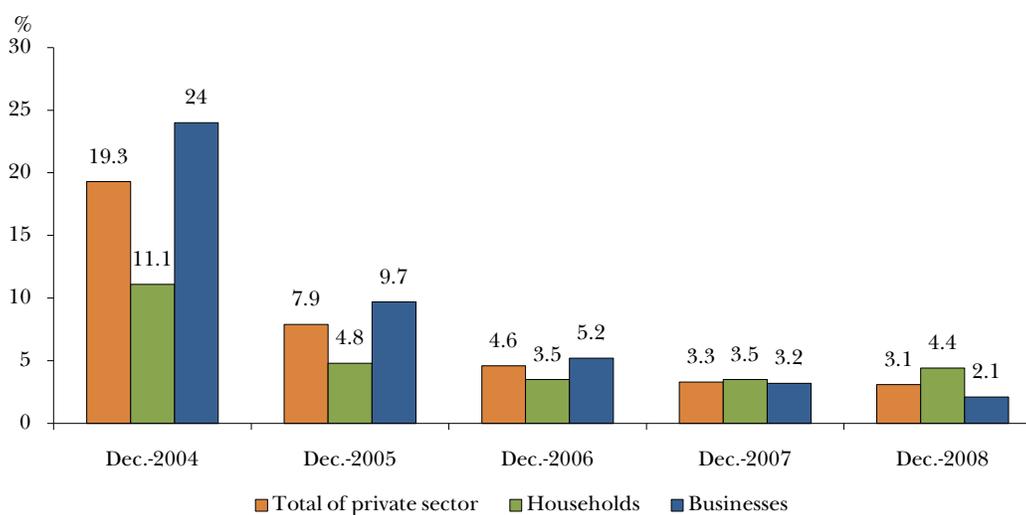
### 1.6 MAIN TRENDS IN CREDIT REPORTING

In Argentina, Banco Central de la República Argentina operates through the Superintendencia de Entidades Financieras y Cambiarias (SEFyC, financial and exchange entities supervision agency), the Central de Deudores del Sistema Financiero (CENDEU, public credit registry). This database collects information on trade and corporate bank loans, financial institutions, credit institutions and non-bank credit cards. This information is processed and may be accessed by any individuals or companies in specific web searches at the BCRA site. Part of its contents is sold in a compact disk containing certain information

of all trade debtors and of those consumer, mortgage, and trade debtors showing consumers who have proceeded irregularly in their repayments.<sup>3</sup>

Regarding the corporate market in charge of offering credit reports, there is a large number of participants working within the Ley de Protección de Datos Personales (data protection act), section 3.

**FIGURE 7. PRIVATE SECTOR DELINQUENT PORTFOLIO  
(PERCENTAGE OF TOTAL FINANCING)**



SOURCE: Banco Central de la República Argentina.

<sup>3</sup> As from January 2010, BCRA offers this information only to individuals or companies enrolled in the Registro Nacional de Bases de Datos (national database registry) of the Dirección Nacional de Protección de Datos Personales (DNPDP, national directorate on personal data protection), which have stated as their main goal *credit information provision services* on optical mediums (DVD) containing massive information.

## 2 INSTITUTIONAL ASPECTS

### 2.1 LEGAL FRAMEWORK

Banco Central de la República Argentina is the country's monetary authority. It is an independent institution of the National State, governed by stipulations laid out in its Carta Orgánica (Ley 24,144) and other associated norms. Even though its mission is to preserve monetary value, its main functions also include fostering development, strengthening capital markets, overlooking the proper working of the financial market, enforcing the Ley de Entidades Financieras (no. 21,526), producing regulation so that the Law is enforced and monitoring financial institutions covered by the reach of the Law. This function is carried out through the Superintendencia de Entidades Financieras y Cambiarias, a deconcentrated agency in charge of overlooking all financial and exchange activity.

The Ley de Entidades Financieras establishes that the following groups of institutions are subject to the regulations that BCRA sets out: this includes commercial banks, investment banks, mortgage banks, financial institutions, savings and loans associations and credit institutions.

Each group of institutions is authorized to carry out different financial operations, and only commercial banks can carry out all active, passive, or service operations not prohibited by law or by BCRA regulations.

In order for it to carry out the proper control of the financial system, financial institutions must disclose their accounting, books, correspondence and paperwork to the central bank for its control and data gathering. Credit users fall under the same obligation in the event of a background check.

In order to fulfill its function of financial institution monitoring, BCRA issued Comunicación A 2,216 and other complementary ones on debtor classification. These regulations bind institutions belonging to the financial system to classify their customers according to obligation fulfillment and/or the possibilities that are assigned to them on the basis of evaluation of particular cases. This means that institutions classify their clients according to delinquency ratings on the following levels of credit quality: 1, 2, 3, 4, 5 and 6.

The operations carried out by commercial and credit report companies are ruled by the Ley de Protección de Datos Personales (no. 25,326, related to personal data protection), whose monitoring body is the Dirección Nacional de Protección de Datos Personales.

#### 2.1.1 Privacy

According to the Ley de Protección de Datos Personales, data treatment is illicit when the person has not provided their expressed and informed consent in writing or through some other equivalent means according to circumstances. However, this consent is not necessary when data is obtained from unlimited public access sources; it is procured to perform the proper functions of the branches of government or by virtue of a legal obligation; it is limited to name, identification, tax-payer or social security number, profession, and date of birth and address; it is derived from a contractual, scientific or professional relationship of the information and is necessary for its fulfillment, or it is connected to operations carried

out by financial institutions and to the information that they receive from their customers according to the provisions of article 39 of Ley 21,526.

When personal information is procured, the end and destination of this information must be previously informed to the holders, as well as the existence of the record, registry, data bank (electronic or otherwise), and identity and address of the person responsible, among other facts.

In connection to credit information, it can only be: *i*) property personal information related to financial and credit capacity procured through public access sources or provided by the holder or with their consent; or *ii*) information related to their fulfillment or lack of fulfillment of property obligations, provided by the creditor or whoever may act on their behalf.

Only personal information which is significant to assess the economic-financial capacity of the owners over the past five years may be filed, recorded, or transferred. That term will be reduced to two years when the holder cancels or ends their obligation, which must be recorded.

It is important to note that according to the Ley de Protección de Datos Personales, credit information services do not require previous holder's consent for data transfer, or its subsequent communication when it is information pertaining the operations of financial institutions and the information that their customers provide them.

### **2.1.2 Bank Secrecy**

According to the Ley de Entidades Financieras, no institution may reveal debit transactions carried out, except records required by:

- judges in court cases;
- BCRA and SEFyC acting under official capacity;
- tax collecting agencies provided that information:
  - refers to a particular party,
  - is used for a tax check of that party, and
  - is acquired with previous consent;
- the institutions themselves in particular cases, with BCRA authorization. In such case, the institution staff must preserve absolute confidentiality of the information procured.

Information connected to debit transactions received or collected by BCRA in its official capacity will be strictly confidential. BCRA staff must preserve absolute confidentiality on the information they handle.

Information on debit transactions which BCRA publishes or discloses must at most be discriminated as the balance sheet and the profit and loss account of every institution.

### **2.1.3 Customer Protection and Quality Assurance**

The Ley de Protección de Datos Personales (no. 25,326) ensures the comprehensive protection of personal information is lodged in records, in bank data files or by other means in the treatment of personal information, be it public or private, to produce reports. This

guarantees the person's right to reputation and privacy and it ensures that information access on its holder is recorded.

Ley 25,326 states that every person may request information to the controlling agency regarding the existence of records or data bases and identity of those responsible for them. This information is public and free. The holder of this information must identify him/herself to request and obtain the information on their personal data included in public or private databases which provide information. These databases may present the requested information within ten days.

The right to access information (free of charge) is valid only in periods longer than six months, except when legitimate interest is proved for the request.

In order to guarantee the quality of the information contained in any database, Ley 25,326, article 4 states that<sup>4</sup>:

1. The personal data collected for treatment purposes must be certain, appropriate, pertinent, and not excessive with reference to the scope within and purpose for which such data were secured.
2. The collection of the data shall not be carried out using disloyal or fraudulent means, or in a manner contrary to the provisions of this Act.
3. The data subject to treatment shall not be used for any purpose or purposes which are different from or incompatible with those giving rise to their collection.
4. The data shall be accurate and updated, if necessary.
5. Any data totally or partially inaccurate, or incomplete, must be suppressed and replaced, or, as the case may be, completed, by the person responsible for the file or data base upon notification of the inaccuracy or incompleteness of the relevant information, without prejudice to the data owner's rights set forth in Section 16 of this Act.
6. The data must be stored in such a way that enables the data owner to exercise his or her right of access.
7. The data shall be destroyed once it has ceased to be necessary or relevant to the purposes for which it has been collected.

On the other hand, and in order to protect the individual, the Ley de Protección de Datos Personales states that the treatment of personal information shall deem it illicit when the owner has not consented to the use of personal data (in which case he/she must lodge a formal complaint in writing). Nevertheless, the law notes cases in which this consent is not necessary. For example, when the information comes from public access sources –such as the Central de Deudores– or when it comes from a contract relationship of the information holder and it contributes to the normal development or fulfillment of such a relationship.

It is forbidden to record personal information on files, records or with banks that do not fulfill the technical requirements of integrity and security. Those responsible for the data recording must adopt the technical and organizational measures necessary to guarantee the safety and confidentiality of personal information so as to prevent unauthorized tam-

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<sup>4</sup> Free translation.

pering, loss, access or treatment and to allow for the detection of diversions (be them intentional or otherwise) of information produced by human action or technical means.

In order to correct data recorded in a commercial information data base, owners have the right to request the correction and updating of erroneous information and, if necessary, its confidentiality. When the owners of personal information perceive the failure to comply with or the violation to their right of access, rectification, updating or confidentiality of their personal information, they may report to the Dirección Nacional de Protección de Datos Personales to report that situation.

## **2.2 THE ROLE OF FINANCIAL INSTITUTIONS IN CREDIT REPORTING**

### **2.2.1 Credit Reporting Agencies**

According to the article 4 of Ley 25,326:

“Private persons forming data banks, registers or files which are not intended for an exclusively personal use must be registered in pursuance of the article 21.”<sup>5</sup>

article 21 is on the data files and the inscription. Related to the last one, it mention that all public data file, registry, base or bank, have to be inscribed in the Registry authorized by the Dirección Nacional de Protección de Datos Personales). Under this article, the data file register shall include at least the following information:

- a. name and domicile of the person in charge;
- b. characteristics and purpose of the file;
- c. nature of the personal data contained in each file;
- d. form of collection and updating of data;
- e. destination of the data and physical persons or legal entities to whom such data may be transmitted;
- f. manner in which the registered information can be interrelated;
- g. means used to guarantee the security of data, with the obligation to provide details of the category of persons with access to the information treatment process;
- h. data preservation term;
- i. form and conditions under which persons may have access to data referring to them, and the procedures to be implemented for the rectification or updating of such data.

In accordance to the Ley de Protección de Datos Personales, credit agencies and bureaus must provide comprehensive information and always show the owner’s whole record, even when the requirement only calls for an aspect of the personal information. They must also keep their data bases updated so as to foster clarity of information provided to the data users.

### **2.2.2 Banking Sector**

Institutions which are subject to BCRA revision must forward to the central bank all credit information dictated by effective rules and regulations.

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<sup>5</sup> Free translation

At every client's request, the financial institution must inform the latest rating assigned and the reasons that justify it according to the institution's assessment.

Clients will be notified of their chance to request that information at the moment they apply for credit through a separate form, which is independent of those applications.

### **2.2.3 Others**

Closed-loop credit card companies (which are not established as financial institutions) must classify their respective clients according to periodicity and other conditions set forth for the consumer and mortgage portfolios. Financial trust beneficiaries within the Ley de Entidades Financieras must also classify debtors of credits placed in trusts. In order to do that, they shall use periodicity and *commercial* or *consumer mortgage* portfolio rules, as needed.

The aforementioned trust beneficiaries must provide SEFyC with all the information it requires to calculate the provisions financial institutions must take on their holdings of their respective certificate of participation or debt security trusts.

## **2.3 THE ROLE OF AUTHORITIES**

### **2.3.1 Central Bank**

Regarding personal data protection, BCRA restricts access to its Internet databases requiring the holder's *single tax or work identification code*, be it an individual or a company.

BCRA is a member of the Dirección Nacional de Protección de Datos Personales advisory committee, whose main function is to regulate registration and technical procedures related to the security treatment and conditions of public and private files, records or databases.

### **2.3.2 Banking Supervisor**

The Central Bank supervises the financial and exchange activity through the SEFyT, which directly responds to the president of the institution.

The SEFyC is in charge of the Central de Deudores and the Central de Cheque Rechazados y Cuentacorrentistas Inhabilitados (Central de Balances Rechazados and the disqualified bank account registry). The purpose of the Central de Deudores is to provide information on financial institution debtors as indicated in section 4.

### **2.3.3 Dirección Nacional de Protección de Datos Personales**

The Dirección Nacional de Protección de Datos Personales (DNPDP) is the monitoring body created for the effective protection of personal information. DNPDP is lodged within the Secretaría de Asuntos Registrales (Subsecretaria de Asuntos Registrales) –the registry affairs secretary and subsecretary) of the Ministerio de Justicia, Seguridad y Derechos Humanos (justice, security and human rights ministry) and is in charge of the database registry.

According to Ley 25,326, and in order to fulfill its main functions, DNPDP count with an advisory board in charge of advising the head of DNPDP. This board is composed of:

- a representative of the Ministerio de Justicia, Seguridad y Derechos Humanos;
- a magistrate of the Ministerio Público Fiscal (Public Prosecutor's Office);
- a representative of the private databases which provide information (appointed by the Cámara de Empresas de Información Comercial –commercial information companies chamber);
- a representative of the Federación de Entidades Empresarias de Informaciones Comerciales de la República Argentina (national commercial information business entities federation);
- a BCRA representative;
- a representative of the companies that keep files, records or databases for advertizing purposes;
- a representative of the Consejo Federal del Consumo (consumer's federal council);
- A representative of the Instituto Argentino de Normalización (IRAM, Argentine institute of standards) specialized in information security;
- a representative of the Superintendencia de Seguros de la Nación (national insurance supervision agency);
- a representative of the Comisión Bicameral de Fiscalización de los Órganos y Actividad de Seguridad del Interior e Inteligencia del Congreso de la Nación (bicameral committee for the control of internal security and intelligence agencies and activities of the national congress)

The collaboration between DNPDP and its advisory board fosters cooperation between the private and the public sectors in preparing and producing practical measures and procedures that awaken trust in information systems as well as in their provision and usage modalities.

The main functions of DNPDP are: regulating through administrative and procedural norms registration procedures and other pertinent tasks, technical norms and procedures connected to safety treatment and conditions of public or private files, records, databases; collecting the taxes indicated by law for registration services and other services rendered; organizing and providing for what is necessary for operation of the public and private database; designing instruments for the better protection of the people's personal information and the better enforcement of application legislation, and standardizing codes of conduct presented in Ley 25,326. The DNPDP also has the faculty of verifying the fulfillment of rules and regulations stated in the Ley de Protección de Datos Personales such as:

- lawfulness in the personal data collection;
- lawfulness in data exchanges and third-party transfers or inrelationship transfers;
- lawfulness in the assignment and transfer themselves;
- lawfulness in the internal and external control mechanisms of the files, records or databases.

Its functions include advising and assisting the owners of personal information when filing complaints and claims if, for any reason, the rights to information, access, rectification, updating, elimination or confidentiality have been violated in the treatment of personal information. When these types of complaints are lodged, DNPDP investigates whether the database involved fulfills the principles set forth by the law.

The massive transfer of public record personal information to private records may only be authorized by law or by decision of an official in charge, and only if the information is public and if the respect for the principles of protection laid out in Ley 25,326 has been guaranteed. There is no need for any administrative action in cases when the law grants unrestricted access to public databases.

## **2.4 THE ROLE OF OTHER PUBLIC AND PRIVATE SECTOR INSTITUTIONS**

### **2.4.1 Non-Financial Credit Providers**

In Argentina there are approximately 87 credit card companies not established as financial institutions, such as Tarjeta Naranja S. A. and department stores such as CMR Falabella S. A., which must report to the Central de Deudores of BCRA. According to information presented by BCRA, these credit card companies showed financing for some USD 1,600 million by the end of 2007.

### **2.4.2 Cámara de Empresas de Información Comercial**

This association (CEIC, commercial information chamber of commerce) was established in 1987 by commercial information providers. It was approved by the Inspección General de Justicia de la Nación (national general public inspection) through Resolución (resolution) no. 319/1988, and it is a member of the Unión Argentina de Entidades de Servicios (UDES, argentine service authorities association).

By the end of 2008, this trade association was composed of the following companies which offer commercial information services:

- Activa Informes Comerciales S. R. L.
- Aval Crediticio S. A.
- Cicom Patagonia S. R. L.
- Decidir S. A.
- Dun & Bradstreet Argentina S. A.
- Nosis Laboratorio de Investigación y Desarrollo S. A.
- Organización Veraz S. A.
- Servicio Interactivo de Informes S. A.

The establishment of CEIC pretends to represent its members, be that individual or collectively, before the proper authorities and advises the authorities to take the necessary measures for the development of informative activities. They also constitute committees, organizations and deliberative bodies to regulate the trade, and represent members before public authorities, at a national, provincial or city level, whenever common actions are deemed necessary.

## 3 PRIVATE CREDIT REPORTING FIRMS

### 3.1 ANTECEDENTS

The Argentine market of credit bureaus is composed of a considerable number of companies. This section in the report describes in detail some of the private records found during our mission, while the statistical annex offers additional information on other companies.

### 3.2 VERAZ CREDIT REPORT

#### 3.2.1 Control and Governance

Since 1998, the American company Equifax owns 80% of the Veraz stocks. The rest of the stock is held by Banelco, a private company which owns the largest network of ATMs in Argentina.

#### 3.2.2 Information Sources

It periodically receives data submitted from different sources throughout the country: official gazettes, commercial courts, the BCRA itself and the company's clients themselves.

#### 3.2.3 Users

Veraz customers are mainly banks and consumer credit institutions, business, industrial or service companies, and individuals who have an interest in accessing the information provided by the company.

#### 3.2.4 Services

Veraz reports contain personal information regarding the holder's credit history regarding businesses, credits, loans, and repayments. This information is presented to individuals or companies who require it in the event of negotiations or business transactions, but according to the Ley de Protección de Datos Personales it cannot be used in other manners.

The services offered by this credit bureau enable the users to know the salient points of a person's credit history. It also informs the user if a person exceeds their business commitments, whether due to a real impossibility to fulfill their obligations in due date, because they stopped fulfilling these obligations deliberately or negligently, or if the person has built a credit history which enables them to carry out business transactions promptly.

Among others, this company offers the following services:

- Veraz Personal. A credit and commercial report which reflects the degree in the fulfillment of commercial and credit obligations of the person whose background is required. This report includes identity validation, list of bad Cheques written over the past 24 months, financial system debtors, litigation information from the Administración Federal de Ingresos Públicos (AFIP, Federal Administration of Public Revenues), court and out-of-court information, and other information provided by the customers themselves.

- **Veraz Comercial.** A credit and commercial report which contains information on the fulfillment of commercial and credit obligations of individuals or companies. This report includes identity validation, list of bad cheques written over the past 24 months, number of months, financial system debtors, litigation information from the AFIP, court and out-of-court information, and other information provided by the clients themselves. It presents the current and the historical standing of debtors in the financial system. It also includes a summary of the Veraz Credit Bureau with information that shows the obligation fulfillment history.

### 3.2.5 Pricing Policy

Prices, at the end of 2008, was:

<i>Product</i>	<i>Price</i>
Veraz Personal	– USD 24 when service is hired – USD 32 unlimited access for six months
Veraz Comercial	– USD 21 when service is hired

### 3.2.6 Procedures and Policies to Insure Information Quality

This company collects pertinent, available information which may be of use or necessary to carry out commercial or credit operations in general, and it overlooks all other information that exceeds the provisions of the regulatory framework applicable to credit information services (article 26 of the Ley de Protección de Datos Personales). These processes take place using validation controls that discard information with discrepancies.

### 3.2.7 Procedures and Policies in Risk Management

Veraz demands from its clients that every report required be destined exclusively for the assessment and conclusion of business transactions with the holder. Clients are legally bound by contract to comply with this policy and are responsible for the misuse of information. In order to ensure the compliance of this principle, Veraz guarantees the proper identification of clients requesting a report.

### 3.2.8 Rights of Individuals or Firms to Access Information and Dispute Resolution

The holders of information may have access to the information on file about themselves in accordance to articles 14 and 15 of the Ley de Protección de Datos Personales.

The above mentioned Law guarantees access to the commercial information in the Veraz databases so that it is possible to demand the elimination, rectification, confidentiality and updating of erroneous information. This company facilitates access to the information gathered in that respect, rectifying and updating it if necessary and receiving and tending to the observations and the documents that the owners produce within the times set forth by the Ley de Protección de Datos Personales.

### **3.2.9 Information-Sharing Policies**

This company keeps confidentiality of the data collected from third parties, and only those who are duly identified may have access to its information. According to article 12 of the Ley de Protección de Datos Personales, Veraz implements technical and organizational measures to protect the authenticity and confidentiality of the data it stores so as to prevent tampering and theft by third parties. As article 10 of the Ley de Protección de Datos Personales states, Veraz staff has a professional secrecy duty with respect to the information they handle.

As stated in article 7 of the Ley de Protección de Datos Personales, in no case can Veraz have access to sensitive data of persons such as honor, creed, race, skin color or political and philosophical beliefs whose treatment may lead to acts of discrimination.

The company is registered in the DNPDP, rated as number 1, which proves the consistently pertinent use of the information it gathers and transfers as required by the Ley de Protección de Datos Personales and its Decreto Regulatorio 1558/2001.

## **3.3 FIDELITAS S. A.**

### **3.3.1 Control and Governance**

Since its establishment in 1958, Fidelitas S. A. offers credit information-oriented services. Its ownership structure is made up of domestic investors.

### **3.3.2 Information Sources**

The company gathers commercial, financial and court information, basically from public-access sources, and offers it on request to its subscribers for them to carry out licit commercial and/or credit activities.

Fidelitas S. A. operates in accordance to article 26 of Ley 25,326, developing activities in the area of commercial and banking information connected to credit-risk coverage and those areas related to it. In that respect, according to the law, it gathers information belonging to individuals or companies mostly from public-access sources and provides it to clients who request it. The information regards assets and financial background and capacities of third parties.

### **3.3.3 Users**

The main users of its services are banks and other financial institutions, insurance companies, professionals, and business companies.

### **3.3.4 Services**

Among its services, the following are the services that the company offers.

- Compacto Fidelitas. A support tool for credit-sales to natural or legal persons. Some of the elements that make up its reports –which do not constitute scoring– are:

- Identity information about the person in question and its validation according to the internal basis kept by Fidelitas S. A., and company ties.
- Criminal records (lawsuits started against the person in question in the last five years in bankruptcy and commercial trial courts).
- It also includes data informed by BCRA such as bank delinquency and bad cheques, banking history and related people or companies.
- Foreign trade data.
- Financial and non-financial sector queries.
- Informe comercial Fidelitas. It allows for an analysis of finances, credit capacity, legal problems and commercial references of the company on which the report is written. It includes:
  - Legal background (registered name, legal structure, type of company, trade name, contact information, type of activity, date of establishment, date and registration number at the Registro Público de Comercio (public registry of commerce), individual taxpayer identification number, international standard industrial classification, date of commencement of business, AFIP registration statement, capital stock, use of corporate signature, main activity according to AFIP, tax address and other branch, or factory addresses, etc.).
  - Partners' and executives' information and their role and background in other companies.
  - Links to other companies, be them parent or controlled companies.
  - Historical overview and description of operations.
  - Operating buildings; property, plant and equipment, and patents and licenses.
  - Main customers and suppliers.
  - Insurance taken.
  - Banks used at present and in the past.
  - Criminal records (lawsuits started against the person in question in the last five years bankruptcy and commercial trial courts).
  - Data informed by BCRA such as bank delinquency and bad cheques, banking history and related people or companies.
  - Foreign trade data
  - Financial and non-financial sector queries.
  - Published results of the last financial statement: comparative figures of statement's evolution, statement of assets and liabilities, and profit and loss statement. If the client so requests it, they may have access to a copy of the published statement.
  - Vertical and horizontal analysis of the statement using 18 static and kinetic coefficients: comparative data of accounting ratios between statements and industry averages.
- Espresso Fidelitas. This is a tailor-made product for clients who decide on the positive and negative events that they want considered at the moment of analyzing a record, their duration, magnitude of figures and date of information according to

their needs and policies. It is produced through the client application interface, which enables the user to customize the information, automatically *approving* or *rejecting* an operation.

- Servicios de marketing –gestión de bases de datos. Using great volumes of individual personal information, the production of new information is pursued through data mining techniques (actions of validation, cleansing, stats exploitation, and search of predictive models of behavior).
- Legajo electrónico dinámico (LED) de proveedores –Basilea II y riesgo operativo. This is a dynamic tool which permits the identification and risk scoring in the business relationship with critical suppliers. It combines state-of-the-art technological resources and commercial risk-assessment experience, thus providing analysis backed by a volume of public and private information gathered according to Ley 25,326 and its Decreto Regulatorio 1558/2001). This information is grouped in the branches of analysis:
  - *Legal aspects*: insolvency, commercial trials, issues connected to the financial and tax revenue system which may affect the person in question’s activity. Public information.
  - *Quantitative aspects*: derived from the analysis of a balance sheet or an assets declaration. Public and semipublic information.
  - *Qualitative aspects*: strategic business management. Semipublic information.
- Sistema de scoring parametrizable. It offers a scoring system which adapts to every client’s assessment policies.
- Monitoreo continuo. Every file produced may be included in the client’s maintenance portfolio. This means that the file is constantly updated with information that Fidelitas uploads every day to its database. This enables last-minute information access on the behavior of companies included in the service as well as to provide scoring results which are dynamic and updated daily.
- Central de balances. It is the third private central balance sheet in Latin America, together with the Brazil and Uruguay ones. It is an excellent source of information to build credit rating models, sectional economic studies, activity average and transfer price studies.

### 3.3.5 Pricing Policy

Prices, according to the information up to the first semester of 2010, are:

<i>Product</i>	<i>Price</i>
Compacto fidelitas	Between USD 1.80 and USD 3.90 per report
Informe comercial fidelitas	Between USD 100.00 and USD 180.00 per report.
Legajo electrónico dinámico de proveedor	Between USD 130.00 and USD 190.00 per report.

### 3.3.6 Procedures and Policies to Insure Information Quality

The information that Fidelitas stores in its database conforms to what the Constitución Nacional (national constitution) states in article 43, so it does not gather or transmit in-

formation which may be of a sensitive or private character including health, ethnic origin, creed, political and unionist beliefs, sexual orientation or any other information inherent to the person in question's personality which may somehow affect his/her honor and privacy or which may lead to any type of discrimination.

The company does not assign the information provided any value judgment regarding the person in question or his/her financial capacity, and it does not evaluate its contents (article 5, Ley 25,326)

### **3.3.7 Procedures and Policies in Risk Management**

Fidelitas S. A. has a *Personalized Attention Center* to channel questions and requests regarding data updating or suppression, thus offering *right of access* to whoever may wish to exercise that right.

The office incorporates reports belonging to individuals (free of charge and at the holder's request provided he/she submits the proper documents) to an alert in the event that there has been, or it is presumed there has been improper use of identification documents which may lead to a criminal act. It thus produces an immediate warning and alerts financial institutions to exercise caution at the moment of any type of credit operation. It proves to be one more preventive tool in order to deter crime and ensure the citizens' right to defend their name and credit against possible fraud.

### **3.3.8 Rights of Individuals or Firms to Access Information and Dispute Resolution**

The company takes into account the information the holder submits for updating or rectification and verifies its authenticity and proofs of the information in question that will be revised over the course of this process.

### **3.3.9 Information-Sharing Policies**

Every report provided by the company is reserved and confidential, only for the client's eyes; its content may not be transmitted and it is meant to serve as a tool to make commercial decisions.

The company guarantees the data holder the right to know the information on him/her on file, providing details such as who has had access to his/her information over the past six months. Thus, the data holder (be it an individual or a company) may exercise his/her *right of access* to all the information on his/her person collected in the database at no cost every six months (article 14, Ley 25,326).

## **3.4 NOSIS S. A.**

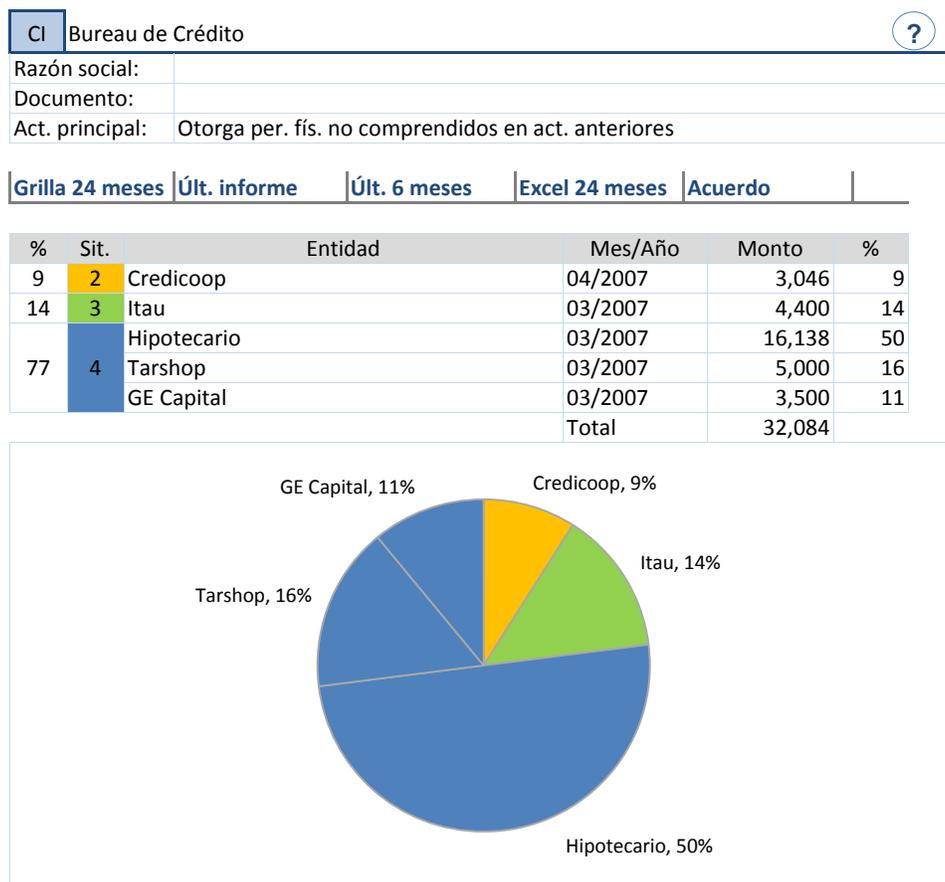
### **3.4.1 Control and Governance**

Nosis Laboratorio de Investigación y Desarrollo S. A. was established in 1988 with the purpose of offering online commercial backgrounds and information on financial markets and foreign trade to supply essential knowledge for the decision-making process. The company is basically family-run.

### 3.4.2 Information Sources

In order to gather information, the company uses its own sources, BCRA information, AFIP, official gazettes (national or provincial), court information, the voluntary provision of information by customers on cheques written, Customs information, registered trademarks and the Oficina Nacional de Contrataciones (contracts national office) among others.

**FIGURE 8. NOSIS CREDIT REPORTING INQUIRIES**



SOURCE: Nosis.

### 3.4.3 Users

Nosis users are mainly banks and consumer credit suppliers.

### 3.4.4 Services

With the Sistema de Antecedentes Comerciales (SAC.net, a system for commercial records), it is possible to inquire about commercial, court, and bank records of individuals or companies in Argentina. Additionally, the free tracking system allows the users to automatically receive the records of the companies or individuals they are monitoring.

### 3.4.5 Pricing Policy

The SAC.net has the following prices, up to 2008, in Argentine pesos:

Over 1 query	ARS 7 + VAT
Over 5 queries	ARS 22 + VAT
Over 10 queries	ARS 40 + VAT
Over 25 queries	ARS 85 + VAT
Over 50 queries	ARS 150 + VAT
Over 100 queries	ARS 260 + VAT

## 3.5 AUDITOR JUDICIAL (JURIDICAL ADVISER S.A)

### 3.5.1 Control and Governance

Auditor Judicial was created in 1996 in response to an initiative to gather court information so as to supply the database of country risk agencies. It offers an audit service regarding legal management, of use to all types of companies with a large legal portfolio, and directed to clients such as banks, financial institutions, insurance companies and the like. In 2001, its legal status changed to Juridical Adviser S. A.

### 3.5.2 Information Sources

By its very nature, its source of information is court files, official gazettes and court gazettes. It is updated daily.

### 3.5.3 Users

Financial institutions and credit information companies constitute its customers. In these cases, such as wholesale packets, information is delivered weekly in the form of files adapted to the needs of every client, compatible with their own systems.

### 3.5.4 Services

- Buró Judicial. National database of court case reports and their updates. It reports the state of trials, their process to date, the corresponding sentences passed and, in every court case, even additional information connected to addresses, documents and legal notices published in the Official Gazette including auctions, repossessions, seizures, inhibitions, etc.
- Buró de Sociedades. Database created on the basis of information published in official gazettes containing information related to business corporations in the country. Includes information like their constitution, related individuals, government, changes in their stock capital, assemblies and any other situation which may affect an incorporated company. The database is completed with all the information related to the companies' links to any individual or company, and direct access to extracts published in the corresponding official gazette.

### **3.5.5 Pricing Policy**

There is not a flat rate for its services as studies are carried out depending on the needs and requirements of every user.

### **3.5.6 Procedures and Policies to Insure Information Quality**

Grupo Jurad has redundant facilities extra situ, which produce a double data availability system so as to insure information protection. Access to the database is strictly controlled, as is any change generated in which case the person who made it is identified. In September 2008, it received ISO 9001/2000 certification in all data collecting, uploading, processing and commercialization processes that the company handles. A special access site, where all file exchanges with clients are carried out, is protected by SSL256 Verisign security.

## **3.6 DUN & BRADSTREET ARGENTINA**

### **3.6.1 Control and Governance**

Established in 1902, D&B Argentina enjoys a long experience of over 169 years worldwide. D&B Argentina has over 3,500,000 full active records of companies and every year it updates over 12,000 commercial records of different types. Every day, some 250,000 clients globally and approximately 1,000 local clients request its services.

### **3.6.2 Information Sources**

As this company provides information on companies established not only in Argentina but all over the world, it is important to note that it gathers and updates information belonging to over 150,000,000 companies worldwide.

The information sources it uses are companies, banks, public offices, public registries, chambers of commerce, associations, its own research, etc. This experience has benefitted D&B as it has used it in the development of efficient data-collecting methodologies and information updating, processing and transmission, in all cases geared toward fulfilling the information needs of their clients.

### **3.6.3 Users**

The reports it presents are geared mainly toward granting loans to companies.

### **3.6.4 Services**

Some of the credit report services Dun & Bradstreet offers are:

- Informe comercial tradicional, on companies all over the world. It contains information on bankruptcies, account closures (negative information) and stock holders. The main objective of this report is to provide information on the payment behavior of companies, their owners, length of service of the company, length of service in the field, sales evolution, and statement of assets and liabilities and profit and loss statement. Some of the information contained in the report includes:

- Identification (tax-payer security number, etc.), date of establishment, legal structure, company constitution and evolution.
- Payment behavior, loans granted, conditions, repayment.
- Summary balance of assets and liabilities and profit and loss.
- Expenditure composition.
- Links to other companies, parent and/or controlled.
- Negative information on bankruptcies, account closures, disqualification, bank debt according to BCRA scoring agency.
- Informe Comercial VIP (only domestic), offers information for credit assessment on the following items:
  - Qualitative information module. That includes, general information; summary; government; special event; update; history; stock holders; subsidiaries; antecedents; operations; insurance; location of properties; and, publications.
  - Quantitative information module. That includes, payment commercial benchmark; criminal records and disqualifications; financial institutions; debts in the financial system; bad cheques; comparative figures; latest balance sheet; comparative expenditure evolution; consolidated balance sheet; economic and financial indicators; other figures; negotiable obligations; and, credit risk scoring.
  - Information analysis module. Including, rating; failure rate; ANLS of last two balance sheets; ASMT of latest balance sheet; credit risk indicator; ratio comparative analysis; and, automatic credit assessment.

## 4 PUBLIC FINANCIAL INFORMATION REGISTRIES

### 4.1 ANTECEDENTS

The origin of BCRA's Central de Deudores (CENDEU) dates back to 1997, when the central bank merged two existing databases: Central de Riesgo and Central de Información Crediticia.

Central de Riesgo was created in 1991 so as to provide information on the main debtors of financial institutions, but only in 1994 was the information of Central de Riesgo available to other institutions of the financial system. Central de Información Crediticia was created in 1995, and financial institutions and credit card companies were expected to provide information regarding the scoring of all their debtors monthly. Similarly, the information gathered on irregular or delinquent client behavior was made available to all financial institutions, credit card companies and scoring risk agencies. On the other hand, these users could also receive information on clients of the financial system with better scoring, although the name of the credit-granting institution was not disclosed. Finally, in 1997 it was decided that the Total de Deudores y Principales Deudores del Sistema Financiero (list of debtors and main debtors of the financial system list) be united with the Régimen de Deudores del Sistema Financiero (financial system debtor regime).

### 4.2 CENTRAL DE DEUDORES

Banco Central de la República Argentina maintains and manages the Central de Deudores through the SEFyC.

The Central de Deudores is a central registry made up with the information provided by financial institutions, non-financial credit card companies and financial trusts. These institutions forward information to the BCRA in the form of the *Deudores del Sistema Financiero* (financial system debtors) report. This is a public database available to all for specific web searches which they may carry out in the BCRA site. Reports offer information on debt amount and credit scoring in every institution with which the debtor has kept business over the last two months. The report also provides information belonging to the Central de Cheques Rechazados. These searches may be carried out by any individuals or companies with a debtor's taxpayer's identification number. Additionally, it sells a DVDs containing information of major debtors and other debtors informed of by at least one institution with a 3, 4, 5 or 6 rating, debtors excluded from accounting records in that month due to delinquency reports, and debtors in the portfolios of the former financial companies which have developed delinquent behavior for a period longer than 180 days.<sup>6</sup>

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<sup>6</sup> BCRA offers this information to financial institutions, financial trust beneficiaries within the Ley de Entidades Financieras, non-financial credit card companies and credit portfolio administrators (formerly financial companies). Additionally, since January 2010, only those individuals or companies registered in the Registro Nacional de Bases de Datos, and who have stated as their main purpose *credit information services*.

### **4.2.1 Main Objectives of the Registry**

The main function of the registry is to show the degree of debt repayment and the credit quality of all debtors within the financial system with consolidated debts in credit institutions and to show scoring assigned to the debtor by every institution.

### **4.2.2 Information Sources**

Credit and loans institutions which inform BCRA include bank and non-bank financial institutions, non-financial credit card companies, credit portfolio administrators (formerly financial companies) and financial trust fund beneficiaries covered within the Ley de Entidades Financieras.

All financial institutions in Argentina must rate their debtors according to what is stated in the norms for *debtor scoring*, which establish that, in the case of consumer debtors, their scoring is the result of fully objective parameters like the number of defaulted days and legal situation of the debtor (if there are judicial collection management or bankruptcy processes in place). Regarding the commercial portfolio, banks evaluate the consistency between the debtor's expected flow of funds and his/her debt. In this case, there is no pre-established rule for the scoring, but it results from the study of a number of indicators like the number of days in default, asset structure, volatility of the flow of funds, business sector and the debtor's position within it.

### **4.2.3 Users**

The information presented on the internet may be specifically consulted by any person, such as, commercial records and credit information companies. If massive analysis is to be carried out, then the DVD sold monthly by the BCRA must be used. This means that it is not possible to obtain massive information of consumer or mortgage debtors with a good payment compliance record (situations 1 and 2), which represents approximately 85% of the database.

### **4.2.4 Services**

Information submitted by every institution which provides data to CENDEU (financial institutions, non-financial credit card companies, credit portfolio administrators –formerly financial companies– and financial trust fund beneficiaries) is transmitted on an individual debtor basis.

In addition to the services rendered to the different units of BCRA, CENDEU offers two products already above mentioned.

#### **4.2.4.1 Difusión Masiva –Soporte Óptico**

Data is sold to the public on optical media monthly. This DVD includes the following information:

- institution's code,
- date of information,
- identification information,

- type of activity,
- situation,
- loans (loans, other credits by intermediation, assets under financial lease, and other credits),
- participation in other companies,
- guarantees provided, memorandum accounts and rediscounted documents,
- other concepts,
- preferred guarantees type “a”, “b” and no preferred guarantees,
- preferred counter guarantees type “a”, “b” and no preferred counter guarantees,
- provisions,
- debtors fully covered by type “a” guarantees and counter guarantees,
- information subject to criminal proceedings (article 38, point 3, ley 25,326), or revisions (article 16, point 6, ley 25,326),
- renegotiations, mandatory re-categorization, legal and/or defaulted situation by technical procedure, and
- number of days in default.

#### **4.2.4.2 Consultas Puntuales – Internet**

At the BCRA website, users may make specific queries that do not allow for massive data retrieval. Information available through this service is:

- debtor’s name,
- institution,
- month / year,
- situation,
- amount,
- information subject to criminal proceedings (article 38, Ley 25,326),
- information subject to criminal revision (article 16, point 6, Ley 25,326),
- debtors of the consumer or mortgage portfolios in abnormal situation sorted out by renegotiations, mandatory re-categorization, legal situation (court or out-of-court arrangements with creditors, legal actions or bankruptcies), and,
- number of days behind in payment of debtors according to the classification above.

#### **4.2.5 Pricing Policy**

Internet searches are free of charge. The DVD is sold.

#### **4.2.6 Procedures and Policies to Insure Information Quality**

The quality of information is insured on the basis of validation processes carried out at the moment of receiving the DVD with the corresponding informative scheme by the reporting institutions. Another one of the instances of validation is carried out through the control of correspondence between amounts reported in the trial balances and information submitted to the Superintendence under *financial system debtors*.

If an error is found in the DVD presented by the institution, the Superintendence returns the medium and a new one is to be sent with the correct information.

#### **4.2.7 Procedures and Policies in Risk Management**

Regular back-ups are performed and there are contingency plans for emergencies or catastrophes.

#### **4.2.8 Rights of Individuals or Firms to Access Information and Dispute Resolution**

Individuals and companies may access the portion of information about them transmitted through specific queries on the internet or purchasing the DVD.

#### **4.2.9 Information-Sharing Policies**

Besides the information offered on the web site, credit institutions present the BCRA other information about debtors and their debts which is made public. For example, in the business sector the debtor belongs to, whether it is a individual or a company, the amount of the guarantee, average term of facilities that the debtor has taken, type of financing, average rate, etc.

### **4.3 CENTRAL DE BALANCES**

In 2006, a SEFyC team put forward a project to start a Central de Balances which would concentrate the financial statements of Argentine companies. It also allows for access to objective information as well as indicators and evolutions in each individual company of every business sector, among other features.

#### **4.3.1 Main Objectives of the Registry**

This data central will permit economic focus on the financial information of the non-financial private sector. The information presented will be available to internal and external users in order to improve risk assessment in financial operations, to make economic, financial and monetary decisions and to contribute to the reduction in credit costs.

#### **4.3.2 Information Sources**

In order to accomplish this Central, financial statements of companies operating within the financial system are gathered.

#### **4.3.3 Users**

With the Central de Balances, BCRA fosters the use of information on the part of financial institutions, which may use the existing information directly from the Central de Balances to assess risks associated with financial operations, making these enquiries an integral part in the client's file, and whose existence is currently regulated by prudential norms.

#### **4.3.4 Services**

The Central de Balances will offer value-added information through various reports which, according to different access levels (companies, government agencies, financial institutions and the general public), will be made available through this central bank.

#### **4.3.5 Procedures and Policies to Ensure Information Quality**

The use of IT tools for the transmission of information is one of the intentions of the Central de Balances, such as the adoption of an international standard for economic and financial information transfer (XBRL).

#### **4.3.6 Rights of Individuals or Firms to Access Information and Dispute Resolution**

With information made available electronically to the players in the economy, a framework of transparency is fostered, thus favoring processes connected to the information needs of the public.

#### **4.3.7 Information-Sharing Policies**

BCRA will be in charge of sharing the information and upholding the principles of transparency above indicated.

### **4.4 CENTRAL DE CHEQUES RECHAZADOS**

In March 2001, BCRA created a second data base called Central de Cheques Rechazados through Comunicación A 3,245. This database is updated daily and it represents the BCRA's answer to the Ley de Competitividad (law on competitiveness), which rendered bank disqualifications ineffective.

The data base contains information on individuals or companies which have written bad cheques due to insufficient funds or formality errors. It also contains the information regarding every cheque: whether it was paid or not and whether the corresponding fine was paid.

The information is submitted daily by banks and it has a public character. The information is included on the Central de Deudores report online. Similarly, it is offered monthly in optical medium.

The Central de Cheques Rechazados contains the following information:

- taxpayer's identification number,
- first and last name or company name,
- bad cheques bounced in personal accounts and bad cheques bounced in corporate accounts,
- cheque number,
- date cheque bounced,
- amount,
- reason,

- company name (if applicable),
- date cheque was paid,
- date fees were paid,
- revision (article 16, point 6, Ley 25.326), and,
- legal action (article 38, point 3, Ley 25.326).

Additionally, the following summaries are offered for personal account bad cheques as well as for corporate account bad cheques with the following headings:

- by reason: totals by amount and number of cheques,
- total number of bounced cheques, total and percentage of paid cheques,
- by bank: totals corresponding to amount and number of cheques for every reason and total of paid cheques.

The summaries are:

- General summary of the number of cheques bounced by bank: totals corresponding to amount and number of cheques for every reason and total of paid cheques.
- Summary of bounced corporate cheques of related companies: company name, taxpayer's identification number corresponding to amount and number of cheques.

#### **4.5 CENTRAL DE CUENTACORRENTISTAS INHABILITADOS**

The data base of disqualified persons is updated daily and includes information corresponding to those disqualified by court and those by lack of fee payment. It is lodged in a BCRA site only accessible to financial institutions. The information may not be transferred to third parties.

## 5 INTERACTION WITH OTHER COMPONENTS OF THE FINANCIAL INFRASTRUCTURE

### 5.1 PAYMENT SYSTEMS AND INSTRUMENTS

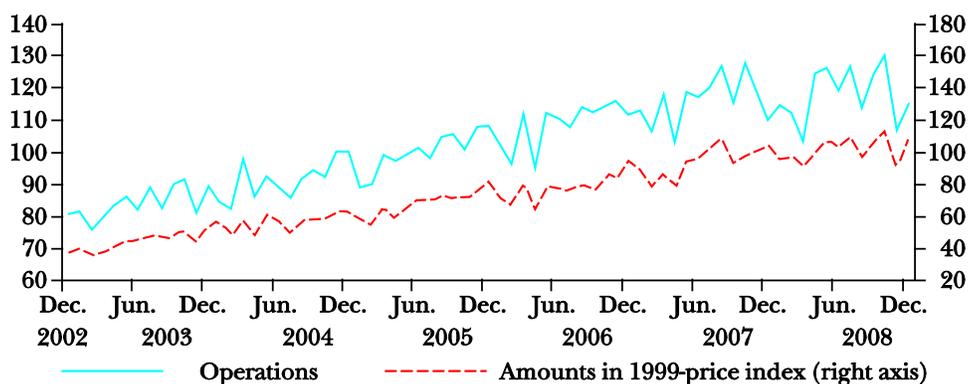
In 1996, the BCRA redefined processes in payment settlement systems and overhauled their regulatory framework. This system has the following features: *a)* an electronic real-time gross settlement (RTGS) system named Medio Electrónico de Pagos (MEP), run by the BCRA; *b)* low-value payment, country-wide electronic private clearing houses; and, *c)* large-value payment private clearing houses.

The MEP was developed and it is operated by BCRA, financial institutions and the electronic clearing houses (CEC). It was started in 1997. It allows authorized institutions to carry out RTGS transactions through current accounts registered in the BCRA for an extended operational cycle, and to count with real-time information on the available balance in every one of their accounts.

Among others, the transactions that financial institutions and electronic clearing houses may carry out are:

- Interbank transactions: as securities exchange and money market funds settlement, among others.
- Transactions started by clients: as same or different account holder transfers and salary payment transfers.
- International transfers: between MEP accounts and accounts in dollars.
- Net balance settlement in clearing process.
- BCRA asset transfers; that is, re-purchasing contract securities in foreign currency.

**FIGURE 9. EVOLUTION OF ELECTRONIC PAYMENT SYSTEM OPERATIONS  
(IN THOUSANDS OF OPERATIONS AND BILLIONS OF PESOS)**



SOURCE: Banco Central de la República Argentina.

At present, BCRA does not charge commissions to member institutions for the services offered through the MEP in order to foster the use of the system, which has developed steadily together with switching to banking operations.

Together with the MEP operations, there are currently two large value clearing houses approved by the central bank:

- Interbanking. It started operations in April 1998, with multilateral net settlement services for banks and electronic fund transfer services for companies;
- Provincanje. It was authorized to operate by BCRA in 1999 and it started operations in 2000. It is owned mostly by provincial banks.

Large value clearing operations may be settled through: *a)* the net settlement system operated by large value clearing houses approved by BCRA. These clearing houses receive operations by day and clear them at the end of business day in order to settle net balances cleared by the MEP system of the BCRA; or *b)* the real-time MEP system which operates during defined times.

Electronic clearing houses approved by the BCRA render clearing services of payment instruments to financial institutions. Every institution may join the electronic clearing houses directly or else indirectly through another institution which represents it for operations clearing and compensation. The clearing houses which render electronic clearing services must abide by the approval conditions laid out by BCRA in its different agencies, which is verified by the Superintendencia de Entidades Financieras y Cambiarias.

On the other hand, by late 1997, BCRA authorized two private low value electronic clearing houses:

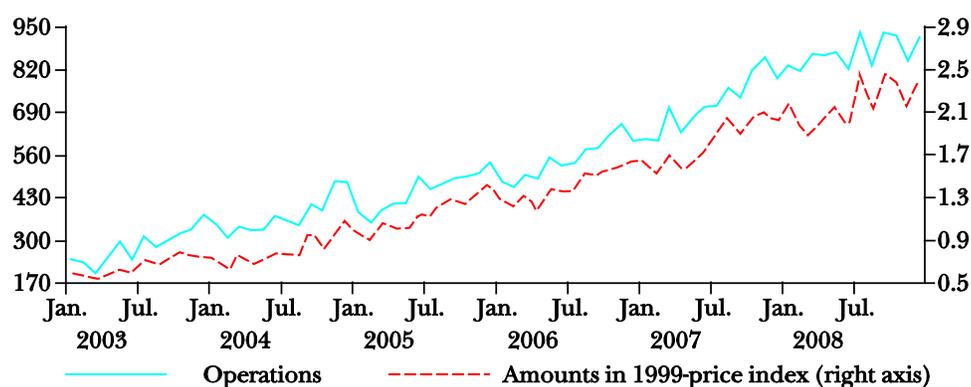
- ACH S. A.
- Compensadora Electrónica S. A.

The low-value instruments they clear electronically are: cheques and other creditable documents and direct debits and transfers.

The two clearing houses are interconnected in order to exchange the transactions a member of one presents in favor of a member of the other. This procedure is applied to every session and to all cleared documents. The file structure and messages between the institutions and the clearing houses has been developed following regulations of the Asociación de Cámaras Compensadoras Electrónicas Nacionales (Argentine electronic clearing houses association).

Generally, the legal framework of payment systems is provided by the Ley de Entidades Financieras, by the Ley de Cheques (no. 24,452 modified by Ley 24,760) and by BCRA regulations in this respect. The Ley de Entidades Financieras regulates comprehensively the financial and banking system. It grants BCRA broad control over the institutions which participate in the financial system. This control is formally presented in the BCRA Carta Orgánica. The Ley de Cheques regulates the transfer and payment of cheques and the rights and obligations of the parties intervening in the payments involved. The electronic clearing of forms of payment is backed by a number of regulations by BCRA.

**FIGURE 10. RETAIL TRANSFER EVOLUTION  
(IN THOUSANDS OF OPERATIONS AND BILLIONS OF PESOS)**



SOURCE: Banco Central de la República Argentina.

## 5.2 BAD CHEQUES

As explained above, the BCRA has a data base of bad cheques written.

## 5.3 PUBLIC REGISTRIES

### 5.3.1 Registro Civil

The Registro Civil (Civil Registry) is decentralized by province. The information processing is manual, even though there is a project to digitalize certificates. Information is only supplied to the holder and, through a court order, death certificates may be presented to third parties. In every case, information is provided on an individual basis and the database is not shared or given to any other agency or institution; the social security office is the only office which receives death records.

### 5.3.2 Registro de Bienes Inmuebles

The Registro de Bienes Inmuebles (Real Estate Registry) is decentralized by province, and the interviewees during the mission were the following:

#### 5.3.2.1 Registro de la Propiedad Inmueble de la Capital Federal

The Registro de la Propiedad Inmueble de la Capital Federal (Real Estate Registry of the Federal Capital) is an agency depending on the Ministerio de Justicia, Seguridad y Derechos Humanos of Argentina (Secretaría de Asuntos Registrales, Subsecretaría de Asuntos Registrales). This registry has 1,500,000 properties in ownership in the city of Buenos Aires. The properties are registered using different techniques according to when the records were registered: there are 15,000 books, 1,250,000 property identification records and 450,000 electronic property identification records (Folio Real Electrónico). The use of books was abandoned in 1960, when other forms started to be used. Identification records are cards for every real estate property owned, and in that card, the different documents which indicate ownership and legal status are registered.

Access to information is restricted to notary publics. There is the possibility of carrying out searches on part of the information such as whether a person owns a property, but it is not possible to receive comprehensive information. Every day there are 1,000 entries and removals from the registry.

### **5.3.2.2 Registro de la Propiedad de la Provincia de Buenos Aires**

This registry of the Province of Buenos Aires, is the one with the largest number of plots in the country (6,000,000 records). It is made up of a central office in which all movements are processed and 15 branches that cannot register property but which act as information suppliers to the main registry. Only those with a legitimate interest may request information (attorneys, notary publics, engineers, architects and the property owner).

The information request processing period depends on several factors, and it may go from one to 20 days.

It also runs the Registro de Inhibiciones (Inhibitions Registry), which is fully digitalized and may be accessed online. However, as digital signatures are not valid, this information lacks legal value.

The Consejo Federal de Registros (Federal Registry Council) has just been created. It centralizes all information on a national level. However, it may take several years for all records in the different provinces to be digitalized.

### **5.3.3 Dirección Nacional de los Registros Nacionales de la Propiedad del Automor y Créditos Prendarios**

The Dirección Nacional de los Registros Nacionales de la Propiedad del Automor y Créditos Prendarios (National Registry Directorate of Vehicle Property and Secured Loans) is an agency depending on the Ministerio de Justicia, Seguridad y Derechos Humanos. By virtue of Decreto no. 6,582/58, it runs the Registro Nacional de la Propiedad del Automotor (National Vehicle Property Registry). This registry is a legal body in charge of defining vehicle ownership according to records. There are 750 registries in Argentina, which are automated and interconnected. Information requests may be done in person; electronic requests of information are restricted to very basic information on the vehicle.

## **5.4 REGISTRO NACIONAL DE LAS PERSONAS**

It is the national body in charge of the registration and identification of natural persons domiciled in Argentina or under Argentine jurisdiction, and of all Argentine citizens wherever they live. It keeps a permanent and updated record of important events, from birth, through the different stages in life, protecting the right to identity. It is the only organization which issues the Documento Nacional de Identidad (DNI, national identification document) and all reports, certificates and proofs according to Ley 17,671 provided on the basis of fingerprint identification. It is a decentralized body depending on the Ministerio del Interior (Ministry of Internal Affairs) through the Secretaría del Interior (Internal Affairs Secretary). In order to fulfill its mission, the Registro Nacional de las Personas has jurisdiction over the whole territory of the country.

#### **5.4.1 Identity Card and Passport**

The identity card and the Mercosur passport are issued by the Policía Federal (Federal Police). At present, the identity card does not have legal value to prove identity; this is only done by the DNI. Obtaining an identity card is voluntary and it may be done at any branch of the federal police. In order to get it, it is necessary to produce the holder's DNI.

#### **5.4.2 Inspección General de Justicia**

The Inspección General de Justicia (General Public Inspection) is a body which depends on the Ministerio de Justicia, Seguridad y Derechos Humanos. It is in charge of the Registro Público de Comercio (Commerce Public Registry) and of the Registros de Asociaciones Civiles y Fundaciones de la Ciudad Autónoma de Buenos Aires (Registry of Civil Associations and Foundations of the City of Buenos Aires). Its job is to register companies established under the jurisdiction of the city of Buenos Aires and to grant legal status to civil associations which require it. Exercising its registering functions, the Inspección General de Justicia registers businessmen and business agents. Additionally, it oversees local companies and foreign companies which carry out business in the country, or open branches or any other form of permanent local representation including savings associations, civil associations and foundations.

## 6 APPENDIX: STATISTICAL TABLES

Series of tables A provides information about credit reports in Argentina. These tables have been prepared following the standard methodology for country tables developed by the main team of the Initiative. This methodology is available at the WHCRI web page, [www.whcri.org](http://www.whcri.org).

Series B provides general statistical information on the financial system and the credit market.

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#### General Statistical Information on the Financial System and the Credit Market

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**TABLE A1. BASIC STATISTICAL DATA**

	2002	2003	2004	2005	2006	2007	2008
Population (in thousands)	37,516	37,870	38,226	38,592	38,971	39,356	39,746
GDP (in billions of USD)	92	127	152	182	213	261	299
Per capita GDP (USD)	2,450	3,366	3,980	4,715	5,463	6,626	7,532
Exchange Rate (ARS/USD)							
End of Year	3.36	2.93	2.97	3.03	3.07	3.15	3.45
Average	3.40	2.95	2.94	2.92	3.07	3.12	3.16

SOURCE: Banco Central de la República Argentina original information, INDEC and Ministerio de Economía y Finanzas Públicas.

**TABLE A2. BANK CREDIT AND LOAN REPORTING INSTITUTIONS, AND OTHER RELEVANT DATABASES FOR CREDIT ACTIVITIES**

	<i>Name</i>	<i>General description</i>
Private information databases	Organización Veraz S. A.	It gathers a large amount of information from different country-wide sources: official gazettes, commercial courts, BCRA and its own customers.
	Fidelitas S. A.	Since its establishment in 1958, Fidelitas S. A. offers services geared toward protecting organizations from potential commercial fraud and minimizing credit risk.
	Nosis Laboratorio de Investigación y Desarrollo S. A.	The company offers the SAC.net system for commercial information searches which permits to obtain individual's or company's risk situation.
	Solar Servicios on Line Argentina S. A.	It offers commercial, court and business information on individuals and companies. With the official information from different databases, users may outline the credit profile of potential customers, suppliers or other market companies.
	Activa informes comerciales S. R. L.	It reports consist of: 1) natural persons' reports for consumer, secured or mortgage loans; 2) specific reports for secured loans; 3) commercial reports; 4) social and environmental reports.
	Auditor Judicial (Judicial Adviser S. A.)	Auditing services on legal management of use to all kinds of companies with a massive judicial portfolio, geared to customers such as Banks, financial institutions, city governments, insurance companies, etcetera.
	Aval Crediticio (Cía. de Protección Crediticia S. A.)	The company offers information which reflects fulfillment or lack of fulfillment of commercial and credit obligations.
	Cicom Patagonia (Tak S. R. L.)	The company has an updated database with information on the credit behavior of consumers in the provinces of Neuquén, Río Negro, Chubut, Santa Cruz and Tierra del Fuego.
	Coface Servicios Argentina	Established in Buenos Aires in 2003, the company renders credit management services: commercial information, company scoring and debt collection.

	Dun & Bradstreet Arg.	The company offers commercial reports on companies in the country and abroad.
	Mercosur on line S. A.	The company offers commercial information on individual and companies in Argentina to contribute to reduce commercial risk and facilitate decision-making.
	Servicio Interactivo de Informes S. A.	Established in 1996, this company offers reports on low-income, individuals who generally do not have a bank account. Its services cover the whole country, but focus especially on the Greater Buenos Aires. It also gathers and distributes databases of the Cámara de Entidades de Crédito de Consumo.
BCRA Public Information Databases	Central de Balances	A project whose main object is producing a database which concentrates all financial statements of Argentine companies.
	Central de Deudores	A body which informs freely and online about the credit scoring of all debtors within the Argentine financial system who hold debt larger than ARS USD 50 with credit institutions, financial trusts and non-bank credit cards. It indicates amount of debt and scoring within each institution. It also offers a DVD containing information on all commercial debtors and consumer and mortgage debtors and commercial debtors who have delayed their payments.
	Central de Cheques Rechazados	This body contains the list of natural or legal persons of the private sector who are responsible for bad cheques and their eventual disqualifications. It includes all those who may have written one or more bad cheques –regular or to a later date– for: <i>a)</i> lack of funds and/or authorization to overdraft; <i>b)</i> lack of approval to write cheques to a later date, and <i>c)</i> formal issues.
Other data bases	Registro de la Propiedad Inmueble de la Capital Federal	An office depending on the Ministerio de Justicia, Seguridad y Derechos Humanos. Real state legal advertizing of the city of Buenos Aires falls upon its functions.
	Registro de la Propiedad de la Provincia de Buenos Aires	An office depending on the Ministry of Economy of the Province of Buenos Aires. This Real Estate Registry enters and registers all documents that constitute, transfer, state, modify or end ownership rights over property in the province. It also registers all documents stating repossession, inhibitions and other restriction orders. Finally, it records all documents set out by other national or provincial laws so as to transmit this information, and it reserves to third parties the right to object.
	Dirección Nacional de los Registros Nacionales de la Propiedad del Automotor y Créditos Prendarios	This agency manages and stores information regarding: license plate registration; individuals' driving records; the condition of vehicles and insurance and accident statistics.

Registro Nacional de las Personas	This registry records and identifies all individuals who reside in Argentina or under Argentine jurisdiction and all those Argentine citizens regardless of their country of residence. It keeps a permanent and updated record of important events, from birth, through the different stages in life, protecting the right to identity.
Policía Federal	It issues identity cards and passports.
Registro Civil de la Ciudad de Buenos Aires	This organism depending on the Government of the City of Buenos Aires has the task of identifying and registering acts and actions which give origin to or modify the marital status, kinship and identity of individuals in the City of Buenos Aires.
Inspección General de Justicia	This body is in charge of the Commerce Public Registry and of the Registry of Civil Associations and Foundations of the City of Buenos Aires. Its job is to register companies established under the jurisdiction of the city of Buenos Aires. It enrolls business companies in the city and grant legal representation to civil associations which require.

SOURCE: Banco Central de la República Argentina.

**TABLE A3. INSTITUTIONS REPORTING TO PUBLIC CREDIT INFORMATION REGISTRIES**

<i>Central de Deudores</i>	2002	2003	2004	2005	2006	2007	2008
Financial sector	98	93	90	89	90	85	84
Banks	78	73	72	71	72	67	67
Private banks	62	59	58	58	60	55	55
National capitals	33	33	34	35	36	34	34
Foreign capitals	29	26	24	23	24	21	21
Public banks	16	14	14	13	12	12	12
Non-bank financial intermediaries	20	20	18	18	18	18	17
Financial companies	18	18	16	16	16	16	15
National capitals	6	6	5	4	4	5	4
Foreign capitals	12	12	11	12	12	11	11
Credit institutions	2	2	2	2	2	2	2
Non-bank credit cards		1	36	54	80	90	87
Financial trusts	70	70	72	104	139	169	158

SOURCE: Banco Central de la República Argentina.

**TABLE A4. INDIVIDUALS, FIRMS AND TRANSACTIONS REGISTERED AT PUBLIC INFORMATION REGISTRIES**

<i>Central de Deudores</i>	2002	2003	2004	2005	2006	2007	2008
Individuals	4,452,846	4,410,575	4,774,486	5,532,648	6,566,828	7,691,272	8,665,341
Companies	440,697	410,563	551,315	876,221	1,016,199	1,291,589	1,507,233
<i>Total</i>	<i>4,893,543</i>	<i>4,821,138</i>	<i>5,325,801</i>	<i>6,408,869</i>	<i>7,583,027</i>	<i>8,982,861</i>	<i>10,172,574</i>
Individual records	6,175,633	5,900,206	6,350,191	7,542,564	9,361,555	11,370,671	13,030,119
Company records	511,068	468,375	656,529	1,076,715	1,016,199	1,535,050	1,811,327
<i>Total</i>	<i>6,686,701</i>	<i>6,368,581</i>	<i>7,006,720</i>	<i>8,619,279</i>	<i>10,377,754</i>	<i>12,905,721</i>	<i>14,841,446</i>

SOURCE: Banco Central de la República Argentina.

**TABLE A5. CREDIT REPORTS REQUESTED FROM/DELIVERED BY PUBLIC CREDIT INFORMATION REGISTRIES (BY TYPE OF REQUEST)**

<i>Central de Deudores</i>	2002	2003	2004	2005	2006	2007	2008
Financial sector	na						
Banks	na						
Others (detailed by institution)	na						
Non-financial sector (if applicable)	na						
Individuals or companies requesting their own credit report	na						
<i>Total</i>	<i>na</i>						

**TABLE B1. FINANCIAL INSTITUTIONS**

	2002	2003	2004	2005	2006	2007	2008
Banks	79	75	73	71	72	68	67
Private banks	63	60	59	58	60	56	55
National capitals	33	33	34	35	36	34	34
Foreign capitals	30	27	25	23	24	22	21
Public Banks	16	15	14	13	12	12	12
Non-bank financial intermediaries	21	21	18	18	18	18	17
Financial companies	19	19	16	16	16	16	15
National capitals	6	6	5	4	4	5	4
Foreign capitals	13	13	11	12	12	11	11
Credit institutions	2	2	2	2	2	2	2
Other financial institutions							
Exchange market institutions (bureaus of exchange)	62	66	63	63	63	63	63
<i>Total</i>	<i>162</i>	<i>162</i>	<i>154</i>	<i>152</i>	<i>153</i>	<i>149</i>	<i>147</i>

SOURCE: Banco Central de la República Argentina.

**TABLE B2. LOANS GRANTED BY FINANCIAL SECTOR ENTITIES, PUBLIC AND PRIVATE SECTOR (BY TYPE OF INSTITUTION, IN MILLIONS OF USD)**

	2002	2003	2004	2005	2006	2007	2008
Banks	31,531	28,015	28,612	31,470	38,411	47,869	50,499
Private banks	19,177	19,099	19,322	21,277	26,560	33,118	32,731
National capitals	6,737	8,049	8,618	10,436	13,531	16,691	17,106
Foreign capitals	12,440	11,050	10,704	10,841	13,029	16,427	15,624
Public Banks	12,354	8,916	9,290	10,193	11,851	14,751	17,768
Non-bank financial intermediaries	230	224	332	535	997	1,565	1,781
Financial companies	224	214	312	492	918	1,450	1,658
National capitals	31	32	37	52	65	153	114
Foreign capitals	193	182	275	440	853	1,297	1,544
Credit institutions	6	10	20	43	79	115	122
<i>Total</i>	<i>31,762</i>	<i>28,240</i>	<i>28,944</i>	<i>32,006</i>	<i>39,408</i>	<i>49,435</i>	<i>52,280</i>
Non-bank credit card companies	-	93	581	904	2,710	1,795	1,845
Financial trusts	2,635	2,204	1,753	2,223	1,864	2,501	2,208

SOURCE: Banco Central de la República Argentina.

**TABLE B3. LOANS GRANTED BY FINANCIAL SECTOR ENTITIES (BY TYPE OF DEBTOR, IN MILLIONS OF USD)**

	2002	2003	2004	2005	2006	2007	2008
Non-financial private sector	14,097	13,725	16,015	20,635	28,056	39,101	43,315
Commercial	7,842	7,159	8,942	10,916	14,462	19,055	20,873
CMCL equivalent to consumer	747	592	1,489	2,302	3,103	3,714	3,854
Consumer	5,508	5,974	5,584	7,417	10,491	16,332	1,587
Non-financial public sector	13,830	11,797	10,686	8,744	7,056	5,600	5,237
Financial Sector	3,835	2,719	2,242	2,626	4,296	4,734	3,727
<i>Total</i>	<i>31,762</i>	<i>28,240</i>	<i>28,944</i>	<i>32,006</i>	<i>39,408</i>	<i>49,435</i>	<i>52,280</i>

SOURCE: Banco Central de la República Argentina.

**TABLE B4. LOANS GRANTED BY FINANCIAL SECTOR ENTITIES (BY TYPE OF LOAN, IN MILLIONS OF USD)**

	2002	2003	2004	2005	2006	2007	2008
Non-financial private sector	14,097	13,725	16,015	20,635	28,056	39,101	43,315
Commercial (and Consumer)	8,589	7,751	10,431	13,218	17,565	22,769	24,728
Short term ( $\leq$ 1 year)	8,556	7,727	10,413	13,216	17,559	22,285	19,573
Long term ( $>$ 1 year)	33	24	19	2	5	484	5,155
Mortgage	2,848	3,024	2,279	2,215	2,401	3,317	3,931
Consumer	1,628	1,803	2,435	4,140	6,545	10,112	12,330
Secured	338	268	193	404	699	1,125	1,319
Contingent liabilities	230	323	311	158	268	907	225
Others	465	555	366	500	578	871	782
Non-financial public sector	13,830	11,797	10,686	8,744	7,056	5,600	5,237
Financial Sector	3,835	2,719	2,242	2,626	4,296	4,734	3,727
<i>Total</i>	<i>31,762</i>	<i>28,240</i>	<i>28,944</i>	<i>32,006</i>	<i>39,408</i>	<i>49,435</i>	<i>52,280</i>

SOURCE: Banco Central de la República Argentina.

**TABLE B5. CREDIT QUALITY INDICATORS OF LOANS GRANTED BY FINANCIAL SECTOR ENTITIES (IN MILLIONS OF USD)**

	2002	2003	2004	2005	2006	2007	2008
Total loans	14,097	13,724	16,016	20,635	28,056	39,101	43,315
Effective	12,030	12,215	15,273	20,247	27,706	38,708	42,815
Mature	2,067	1,509	743	388	350	393	500
Provisions	2,898	2,971	2,007	1,075	1,765	799	770
Levels of credit quality							
1	7,139	7,974	12,269	18,422	26,282	37,208	41,210
2	1,666	1,328	935	689	548	672	846
3	1,579	927	623	418	311	410	459
4	1,875	1,429	718	414	479	404	475
5	1,761	1,915	1,355	645	409	380	314
6	78	151	116	46	27	28	10

SOURCE: Banco Central de la República Argentina.

## LIST OF ABBREVIATIONS

AFIP	Administración Federal de Ingresos Públicos
BCRA	Banco Central de la República Argentina
CDI	Clave de Identificación
CEC	Cámaras Electrónicas de Compensación
CEIC	Cámara de Empresas de Información Comercial
CENDEU	Central de Deudores
CER	Coefficiente de Estabilización de Referencia
CUIL	Código Única de Identificación Laboral
CUIT	Clave Única de Identificación Tributaria
DNPDP	Dirección Nacional de Protección de Datos Personales
GNP	Gross National Product
MEP	Medio Electrónico de Pagos
SEFyC	Superintendencia de Entidades Financieras y Cambiarias
XBRL	<i>eXtensible Business Reporting Language</i>

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