

Information requirements relating to counterparties and RT providers (external inflows)

Request for RT acceptance		
CA source	RT	
From	Counterparty	
To	NCB (will forward a copy to the ECB)	
Frequency	For initial endorsement + ad hoc ¹	
Requested information		Examples
Name of counterparty		
MFI ID		
Country to be covered		
Exposure category to be covered		<i>SME</i>
Co-endorsing and monitoring institution(s)		
RT	Name of the RT (product name)	<i>Riskcalc – Italy 3.1 (Moody’s KMV)</i>
	Model coverage: <ul style="list-style-type: none"> • Geographic, class of debtors • Min/max turnover of companies rated 	<i>IT, corporate, retail... From € x to y mn yearly turnover</i>
	Definitions: <ul style="list-style-type: none"> • Definition of default • Probability of default 	<i>90 days past due, unlikely to pay Point-in-time / Through-the-cycle</i>
	Model description (should cover at least):* <ul style="list-style-type: none"> • General description of methodology underlying the RT, econometric model • Data and information sources • Data input • Frequency of rating updates • classification of the rating buckets (RB); • brief description of the risk associated with each RB; • 1Y PD estimate assigned to each RB; • number of rated obligors per RB at the date of last PD update • cumulative default rates for the last 3 years for each RB • simplified transition matrix for the last year 	<p>Please attach a precise model description to this template covering the relevant issues.</p> <p><i>Logit on annual account data Annual account data, ... By: client banks, data providers, ... Yearly</i></p> <p><i>AAA, AA, ...</i></p> <p>...</p> <p><i>0.03% / 0.09% / ...</i></p> <p>...</p> <p>...</p> <p>to be attached to this form</p>

¹ A request for RT acceptance must be filed by the counterparty when it applies for acceptance of a certain RT for ECAF purposes for the first time and, subsequently, each time material changes occur with respect to the RT (e.g. methodology, database, etc.), the RT provider, the counterparty specifics or the collateral submission policy (e.g. intended submission of previously not submitted exposure categories as collateral).

	<ul style="list-style-type: none"> • overruling: frequency of occurrence, general handling 	<i>2% of all model outputs are overruled on average, ...</i>
	<p>Model validation (should cover at least):*</p> <ul style="list-style-type: none"> • validation concept; • regular validation procedures; • validation results (including back-testing); • results for particular consideration of the respective country for which endorsement is requested; • results for particular consideration of the exposure categories which the counterparty plans to pledge as collateral; 	Please attach a precise description of the validation procedures developed and of the validation results obtained for the RT – taking into particular consideration the respective country for which endorsement is requested and the exposure categories which the counterparty plans to pledge as collateral – to this template.
	RBs envisaged as eligible	<i>RB 1 to 3</i>
<i>RT provider</i>	RT provider's name, address, contacts	<i>Moody's KMV, ...</i>
	Information on the RT provider:*	...
	<ul style="list-style-type: none"> • organisation (group structure: affiliation <--> organisational independence); • economic independence; • resources: economic, technical, know-how 	...
	First year of RT provision	<i>2002</i>
	Number of customers (structured according to regional relevance to the RT provider's business)*	...
	Yearly turnover (structured according to regional relevance to the RT provider's business)*	...
	Was the RT provider's agreement obtained for the endorsement of its RT for ECAF purposes? ²	<i>Yes</i>

* If appropriate, the counterparties need not submit all of the requested details themselves, but may refer the Eurosystem to the RT provider for purposes of obtaining this information directly.

² The RT provider must have declared its willingness to support the RT acceptance and to cooperate with the Eurosystem in an appropriate manner. The requirement of cooperation extends from the acceptance phase to the operating phase (including monitoring).