

AECM position on the Framework for Financial Data Access (FiDA)

The **European Association of Guarantee Institutions (AECM)** and its members would like to share their remarks regarding the proposal on the Framework for Financial Data Access (FiDA). As long-term advocates for better access to finance, we welcome the European Commission's efforts to promote better opportunities and improve economic outcomes for consumers and businesses by fostering data-driven financial services in the European Union. In particular, the proposal could significantly improve SMEs' access to financial products and services, notably to bank loans, offering more tailored solutions to a wider number of SMEs. As guarantee institutions partially guarantee bank loans to SME clients, the information on guarantees forms an integral part of the data an SME provides to institutions and creditors as part of the loan application process or a request for a credit rating. As such, the current proposal is of high relevance to AECM members, which is the reason why we would like to submit the following comments to legislators.

Definitions

The definition of "data holder" in Article 3(5) is ambiguous as it lacks a clear distinction between data holders and data categories. A data holder should be defined as a financial institution that provides a **direct** financial service or product to the customer. In fact, it is often the case that guarantee institutions rely on the credit assessments performed by the underlying bank that directly grants a loan to the customer. Accordingly, we advocate that **guarantee institutions should not be considered data holders** as they only provide a financial service indirectly to the customer through the bank. This would avoid redundant access claims, and conflicting customer data from the bank and the guarantee institution on a single guaranteed loan.

Trade secrets of data holders

We support the provision set in Article 5.3(e) that data holders shall respect the confidentiality of trade secrets and intellectual property rights, as this safeguards proprietary business practices and information. However, the practical implementation of this appears particularly challenging, as only the customer can identify data that involves trade secrets. Therefore, we call for a **reasonable yet clear definition of data that compromises business trade secrets**, in such a way to protect customers' data without undermining the collection and exchange of data under FiDA. In some cases, guarantee institutions heavily rely on customer information collected by banks before supplying a guarantee, so the accessibility of such data remains crucial.

Data access outside of financial data sharing schemes

The obligations on a data holder to make customer data available to a data user set out in Article 5 seem to allow for a data user to have the right to access data from a data holder outside of a financial data sharing scheme, pursuant to the customer's agreement. As guarantee institutions are often small and non-complex financial institutions with **limited resources and a promotional role**, we strongly support the access of data **outside of financial data sharing schemes and without compensation** for promotional institutions. This would allow for guarantee institutions to pursue their promotional role without incurring additional costs that could negatively impact their provision of affordable finance to SMEs.

Governance of financial data sharing schemes

In our view, the governance of financial data sharing schemes defined in Article 10 is **overtly constrictive**. For all parties involved, a more flexible governance model would encourage further collaboration between data holders and data users and allow the freedom to set their own terms for the exchange of financial data. In particular, this would enable **different governance models with more tailored bilateral agreements between parties**, where for example, no fee is imposed on the data user. In the case of guarantee institutions that pursue a promotional role by alleviating the risk on a bank's exposure, it would be in the best interest of the data holder, the bank, to share customer data on a complimentary basis.

Final remarks

In more general terms, we plead for a framework for financial data access that promotes the collection and exchange of data in a fair and just manner, without hampering the promotional role of guarantee institutions. In that sense, the proposed system should always prioritise creation of value for customers, whether consumers or businesses, without hindering the provision of financial products and services. For guarantee institutions in particular, the exchange of financial data under the new framework should in fact **facilitate the access to guarantees**, and therefore, **enable better access to affordable finance for SME clients**. We would kindly like to ask co-legislators to take our points into account in the preparation of their respective positions.

About us

The 46 members of the **European Association of Guarantee Institutions (AECM)** are operating in 32 countries in Europe. They are either private/mutual sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing for these enterprises, guarantee institutions address effectively this market failure and facilitate SMEs' access to finance. The broader social and economic impact of this activity includes the following:

- Job creation and preservation of jobs by guaranteed companies
- Innovation and competition: crowding-in of new ideas leading to healthy competition with established market participants
- Structure and risk diversification of the European economy
- Regional development since many rural projects are supported
- Counter-cyclical role during crises

SME guarantees generally pursue a long-term objective and our members, if public, private, mutual or with mixed ownership structure, have a promotional mission.

AECM's members operate with counter-guarantees from regional, national, and European level. At the end of the year 2022, AECM's members had about EUR 267 billion of guarantee volume in portfolio, thereby granting guarantees to around 5.2 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU (counter-)guarantees from the very beginning in 1998.

Have a look at our [AECM brochure](#) and at our most recent publications:

[Priorities for the legislative period 2024-2029](#)

[Guarantee Institutions Promoters of the Sustainable Transition](#)

[AECM Statistical Yearbook 2022](#)

European Association of Guarantee Institutions – AECM
Avenue d'Auderghem 22-28, bte. 10, B-1040 Brussels
EU Transparency Register: 67611102869-33

