

Interview: Mojca Kunšek, M.Sc., Director of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES)

New services from AJPES help companies to analyse their partners and receive relevant information about their business

By **Tina Drolc**, M.Sc., MBA

Based on the AJPES model, S.BON Credit Rating classifies Slovenian companies into 10 credit-rating scores. For 2018 there are indicators of positive business developments in the Slovenian economy, according to Mojca Kunšek, AJPES Director, and there is an increase in the number of foreign entities registering a business in Slovenia. Ms Kunšek, states that for sole proprietors the greatest number are Italian owners, while in terms of company ownership, the majority of founders are from the Balkans, with the businesses concentrated in sales and retail commercial



Q S.BON Credit Rating is an AJPES model that classifies Slovenian companies into 10 credit-rating scores from SB1 (lowest risk) to SB10 (highest risk) according to their credit risk and SB10d the credit-rating for those companies already in default. Which businesses in Slovenia have the highest and which have the lowest risk according to their rating?

A Positive business developments in the Slovenian economy are reflected in the credit-ratings assigned to Slovenian business entities for 2018. The default risk decreased the most in the Information and communication activities sector and in the water supply, sewerage and waste management sector. In the real estate sector and electricity, gas, steam and air conditioning supply sector, the default risk decreased more than the average for the Slovenian economy.

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Less favorable business developments resulted in increased default risk in the health and social work sector, followed by the accommodation and food services sector and the financial and insurance sector.

Q Are the S.BON ratings comparable to S&P Global, Moody's and Fitch ratings?

A To ensure overall objectiveness and consistency, credit-ratings are assigned to Slovenian business entities using the **AJPES S.BON** methodology which takes into consideration long-term default developments in the Slovenian economy. The reports are based on a large database of official data and also indicates a company's ability to settle its obligations over a 12 month period, from the date of the most recent financial statements, and also information on a company's short term payment discipline and other important information about the company and its operations. To enable international comparisons, AJPES presented mapping of S.BON credit assessments with credit assessments of the "big three" rating agencies. Mapping tables are available on the AJPES web page (https://www.ajpes.si/Credit_Rating_Services/SBON_Credit_Rating/Credit_rating_scale).

Q Based on your evidence, is the percentage of foreign entities that decide to register their business in Slovenia increasing? Which countries are they from and what segments are the most attractive for them?

A The Slovenian Business register does not contain data about the land of origin of company partners. So, we can answer your question regarding registered foreign entities solely based on entities with a foreign address. The share of Italian owners as sole proprietors reflects the free registration of a company with us. Comparing results from 2017 against 2013, Italians are still the largest share of founders, but they are no longer followed by founders from the Balkans, but from Austria. Results for companies reflect the opposite because the majority of founders are from the Balkans and concentrated in sales and retail commercial, which is confirmed by the actual purchases of Slovenian retailers.

Recently, we launched two new services on the market: a new analytical tool, FI-PO, which helps companies to analyse their partners and receive all relevant information about their business; and we finished an accreditation from the Global Legal Entity Identifier Foundation to become an authorised local operational unit for publishing Legal Entity Identifiers (LEI) which, according to the MIFIR Directive, all institutions which operate on international financial markets should have. ◀