



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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Guidance Note on Completing an Application for Authorisation as a Moneylender

under the Consumer Credit Act, 1995 (as amended)
(the "Act")

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1. Introduction

This document should be read before commencing the completion of an Application for Authorisation as a Moneylender.

Part VIII, section 93 of the Consumer Credit Act, 1995, as amended 'the Act', sets out the requirements for the authorisation of moneylenders. This document provides guidance in relation to the requirements of the Central Bank of Ireland (the "Central Bank") for obtaining authorisation as a moneylender in Ireland. **It does not constitute legal advice nor does it seek to interpret relevant legislation.**

The Central Bank is the competent authority in Ireland for the issuing of such licences. Responsibility for the proper management and control of a moneylending applicant rests with the principals involved in the running of the business (for example, director, manager, secretary etc.). Ethical behaviour and transparency in business dealings are key values expected of all principals in the running of the business and of boards and senior management. In particular, applicants must comply with the Central Bank's Fitness and Probity regime, which came into effect on 1 December 2011 (see also 2).

In addition to the information required as outlined in the application form accompanying this guideline document, the Central Bank may (under section 93(5)(i) of the Act) request additional information in order to assist in the process of reviewing the application and deciding on authorisation.

While we aim to make the application process an efficient and manageable one, we stress that it is not a one-step mechanism; rather, it is an interactive process involving contact and consultation with personnel from the Central Bank prior to and after the application is formally submitted.

In advance of submitting an application for authorisation, an applicant should satisfy itself that:

- its proposed business model requires authorisation pursuant to the section 93 of the Act. The relevant definitions for 'moneylender', 'moneylending', 'moneylender's licence' and 'moneylending agreement' are contained in section 2 of the Act;
- it can comply with the requirements of the Act, the European Communities (Consumer Credit Agreements Regulations) 2010 and the Consumer Protection Code for Licensed Moneylenders;
- it is capable of complying with, and adhering to, on-going supervisory requirements;
- it can satisfy the Central Bank's Fitness and Probity requirements;
- it can comply with Criminal Justice (Moneylaundering and Terrorist Financing) Act 2010, as amended by the Criminal Justice Act 2013;
- it has policies and procedures in place to oversee the governance of compliance with applicable legislation; and
- it possesses all of the information and documentation required by the application form.

Information and relevant application documentation with respect to moneylenders is available at: <http://www.centralbank.ie/regulation/industry-sectors/money-lenders/Pages/default.aspx>.

Criteria for Assessing Applicants

Section 93 (1) of the Act sets out the information that must be submitted as part of an application for authorisation as a moneylender.

The principal areas assessed by the Central Bank in considering an application for authorisation as a moneylender include:

- Business model
- Product details
- Financial information
- Policies and Procedures
- Principals and Collection Agents
- Loan documentation

The requirements in relation to each of these headings are detailed in the aforementioned application form. The applicant must submit a **fully completed** application form to address each of the above headings.

2. Fitness & Probity

Prior to obtaining its first licence, and in the course of operating as a licensed moneylender, the applicant must comply with the Fitness & Probity process that applies to all regulated financial services providers. This new regime was fully implemented by 1 December 2012. Applicants are responsible for ensuring that staff performing pre-approval controlled functions/controlled functions meet the Fitness and Probity Standards (the “Standards”) both on appointment to such functions and on an on-going basis.

Specifically, a moneylender must not permit a person to perform a pre-approval controlled function or controlled function unless it is satisfied on reasonable grounds that the person complies with the Standards and has obtained confirmation that the person has agreed to abide by the Standards. The Central Bank shall not grant an authorisation to an applicant to operate as a moneylender unless the applicant satisfies the Central Bank as to the fitness and probity of each person proposed to hold a pre-approval controlled function (i.e., its directors and relevant senior management) in the applicant.

Applicants are required to complete an online Individual Questionnaire (IQ) in respect of each relevant individual. IQs must be endorsed by the applicant and submitted for approval to the Central Bank. The applicant will be required to identify a System Administrator within the applicant who shall then be provided with logon details to the Central Bank’s Online Reporting System (ONR) and the required access to set up relevant staff on the system to complete the necessary IQs.

Whilst it is the applicant that is provided with access to the online portal in which IQs are to be completed, it is required that each proposed pre-approval controlled function holder will complete their own IQ under the access permissions granted by the applicant. Persons completing an IQ should be open and honest and provide all the information requested in the IQ. Such persons should also

provide any information subsequently requested by the Central Bank in respect of their IQ in a timely manner.

The Central Bank will provide the applicant with logon details to the ONR to facilitate the submission of IQs when it has completed a key information check of the application submission and determined that all the required information has been submitted by the applicant. It should also be noted that the Central Bank's Regulatory Transactions Division (RTD) is responsible for reviewing/processing IQs that are submitted. This review takes place in tandem with the review of the application for authorisation which is undertaken by the Consumer Protection Directorate.

If Collection Agents are permitted to arrange the provision of credit to consumers on behalf of an applicant then this role is considered to be a Controlled Function under the Central Bank's Fitness and Probity regime. The applicant must not permit a person to perform a Controlled Function role unless it is satisfied that the person complies with the Fitness and Probity Standards and has obtained written confirmation that the person has agreed to abide by those standards.

For more information on the Fitness & Probity process see Financial Regulation/Fitness and Probity on the Central Bank's website at www.centralbank.ie. Click on the following link if you are reading this document online: [Fitness & Probity](#).

3. Making an Application

All the information requested in the application form must be provided to the Central Bank in support of an application for authorisation. All of the listed information (as set out in the checklist towards the back of the form) must also be provided in order to constitute a complete application. Applicants must sign and date the declaration part of the application form. Applications that are not signed will be returned to the applicant immediately.

The application form does not cover all information queries that may arise in the course of an application for authorisation, and the applicant should expand on the required information, where necessary, according to the specific nature of the proposed business. An applicant must not willingly give any information which is false or misleading in respect of an application for a moneylending licence.

The completed application form, along with all relevant accompanying material, should be submitted in both soft and hard copy format to the Central Bank. The paper copy should be sent to *Moneylending Unit, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2* and the electronic version can be included with the paper copy or sent by email to moneylending@centralbank.ie.

An applicant **should not** make an application submission to the Central Bank where it has not determined with reasonable certainty the scope of activities in which it proposes to engage and its proposed business model. There should be no significant changes made to the applicant's application for authorisation during the course of the application process. Where such significant changes are made, a new application submission will be required.

The Central Bank authorises moneylenders on the basis of the information provided in the application for authorisation. All applicants granted an authorisation will be required to operate in accordance with the information provided in their application for authorisation except where this information is altered with the approval of the Central Bank.

All reasonable steps must be taken by the applicant to ensure that the information provided to the Central Bank in the application for authorisation is accurate. Applicants should note that it is an offence under section 12 of the Act to wilfully give any information which is false or misleading in respect of an application for a moneylender's licence and may result, on summary conviction, to a fine not exceeding €3,000 or imprisonment for a term not exceeding 12 months or both.

4. Documentation Required to Make an Application for Authorisation

Applicants should submit the following documentation which should be **fully completed**:

1. An [Application for Authorisation as a Moneylender Form](#) (including the specific information/documentation requirements set out therein);
2. Individual Questionnaires (when requested to do so); and
3. Vetting Invitation Form and appropriate proof of identity (where relevant).

Please note that as an Garda Síochána have moved to an online eVetting process, the Central Bank will only process eVetting applications from 3 January 2017. The new process is described below. The new process involves 2 key steps:

- The **Vetting Invitation Form (including proof of identity)** is the first stage in the process. It must be completed physically and must be accompanied by certified copies of proof of identity. **NB:** it is a requirement to provide, in paper format, certified copies of documents identifying the applicant. These can be either a certified copy of a passport or certified copy of driving licence/learner driver permit (new credit card type only), along with a certified copy of a letter/document confirming proof of address. The proof of address can be a Utility Bill e.g. gas, electricity, television, broadband (must be less than 6 months old. Printed online bills are acceptable. Mobile phone bills are not acceptable); and
- When the application form is completed correctly and acceptable identification documents have been supplied, the applicant will be supplied with a **link to the online Vetting Application Form**.

Please see [here](#) for guidance on the **Vetting Invitation Form**, the **Vetting Application Form** and the **required certification and proof of identity documents**. If you have any queries on the eVetting process please contact the Regulatory Transactions Division, see [here](#) for contact details.

Once an application is submitted and the applicant has been provided with log-on details for the ONR, the applicant will need to ensure that all relevant individuals proposed to hold a Pre-Approval Controlled Function (PCF) role (typically board members, senior management, key function holders) complete **Fitness and Probity Individual Questionnaires** – more information and guidance material on

completing the IQ can be found [here](#). Individual Questionnaires must be submitted electronically via the ONR by all relevant individuals. Please note that access to the online IQ only becomes available after an application has been deemed to contain all the key information and documentation required. The applicant will also need to ensure that it submits a Vetting Invitation Form along with acceptable proof of identity (it should be noted that a Vetting Invitation Form is required where the applicant is a Sole Trader or Single Director Company) – more information and guidance material on completing the Vetting Invitation Form can be found [here](#).

The completed Application Form, along with all relevant accompanying material, should be submitted in both paper and electronic format to the Central Bank. The paper copy should be sent to *Moneylending Unit, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2* and the electronic version can be included with the paper copy or sent by email to moneylending@centralbank.ie.

The completed Vetting Invitation Form along with acceptable proof of identification should be submitted in paper format to the Central Bank and should be sent to *Fitness and Probity Team, Regulatory Transactions Division, Central Bank of Ireland, Block D Iveagh Court, Harcourt Road, Dublin 2*.

5. Guidance on Completing an Application Form for Authorisation as a Moneylender – Frequently Asked Questions

District Court Districts

The Central Bank requires you to confirm the district court districts (“DCDs”) in which you operate. To assist you in providing this information, please refer to S.I. 172/2013 (available on www.irishstatutebook.ie), which sets out the up to date list of DCDs and their related areas.

For applicants that operate in Dublin, please note that it has been confirmed by the Courts Service that the S.I. does not refer to DCD 11 and that Dublin Metropolitan Area District (‘DMA District’) now includes the areas of Dublin 1 – Dublin 24 and Dublin County. You should contact the Circuit and District Courts Operations Directorate of the Courts Service on 01 888 6070 if you have any queries in relation to DCDs.

Newspaper Advertisement

Section 93 (2) of the Act states that “*A person who intends to apply . . . for a money-lender's licence shall before making such application cause to be published, in any national or local newspaper published in the State and circulating in the district court district that the applicant intends to engage or engages in the business of moneylending, notice of his intention*”. The newspaper in which the advertisement is placed must cover the DCDs in which the applicant intends to operate (e.g. an applicant proposing to operate in all DCDs in Ireland must place an advertisement in a newspaper with national circulation).

The date of the advertisement must be reasonably close to the date of submission of the application.

The wording should take the following form:

“A/AB Limited trading as ABC Ltd’ of ‘Address’ hereby give notice of our intention to apply to the Central Bank of Ireland for a moneylender’s licence under the provisions of Part VIII of the Consumer Credit Act, 1995 (as amended) for the year 20XX to 20XY”.

Regulatory Disclosure Statement

The required disclosure statement for moneylenders **must take the following form:**

“[Full legal name of regulated entity (and trading name, if applicable)] is regulated by the Central Bank of Ireland.”

The above disclosure statement must be contained on all business stationery including moneylending agreements, repayment books and authorisation cards, in all advertisements, in all catalogues, brochures etc. and on all electronic communications with consumers, including on the home page of the applicant’s website, if any.

For your information, an ‘advertisement’ means any commercial communication usually paid for by a regulated entity, which is addressed to the consumer public or a section of it, the purpose being to advertise a product, service or regulated entity, excluding name plaques, sponsorship material etc.

Terms and Conditions

The Central Bank requires each new applicant to confirm whether or not, in its opinion, its terms and conditions comply with applicable legislation. Applicants are advised to seek legal advice on this issue, if required. The onus is on the applicant to be satisfied that its individual terms and conditions are in compliance with applicable legislation.

European Communities (Consumer Credit Agreements) Regulations 2010, as amended

Please note that since the introduction of the European Communities (Consumer Credit Agreements) Regulations 2010, as amended (“the Regulations”), on 11 June 2010, there are new or amended requirements that moneylenders must comply with. Each applicant must ensure, before submitting the necessary information and documents as part of the application process (if applicable), that all documentation complies with these regulations. Examples of new or amended requirements introduced in the Regulations include, but are not limited to, the following:

The credit agreement must contain details of:

- the existence ... of a right of withdrawal, a “cooling off” period of 14 days during which that right may be exercised and other conditions governing the exercise of that right, including information concerning the obligation of the consumer to pay the capital drawn down and the interest in accordance with Regulation 17(3)(b) and the amount of interest payable per day;
- the right of early repayment, the procedure for early repayment, and, where applicable, information about the creditor’s right to compensation and the way in which that compensation will be determined;
- the procedure to be followed in exercising the right of termination of the credit agreement;
- whether or not there is an out-of-court complaint and redress mechanism for the consumer and, if so, the methods for having access to it; and
- where applicable, the name and address of the competent supervisory authority.

A Standard European Consumer Credit Information Form (“SECCI”) must be provided to consumers in good time before a consumer is bound by a credit agreement or an offer of credit, to provide the consumer with the information he/she needs to compare different offers in order to make an informed decision on whether to conclude a credit agreement. A copy of the applicant’s SECCI must be submitted with its application for a moneylending licence (if applicable).

Policies and Procedures

With regard to their governance and control measures, applicants should clarify how they ensure that their products and processes are designed in such a way to ensure positive outcomes for consumers and consumers are treated fairly. Applicants should identify how consumers’ best interests are addressed in the culture of the firm, its business model, decision making processes and its employee behaviours.

Policies and Procedures submitted should cover a number of topics including the following:

(Note: This is not an exhaustive list)

- Affordability assessments and customer due diligence
- Issuing credit and responsible lending
- Business generation/attracting consumers
- Consumer repayments
- Arrears and write-offs
- Complaints handling and customer service
- Data protection
- Anti-money laundering and terrorist financing

Policies and procedures should accurately reflect how the applicant will conduct its business if authorised. The applicant should not submit any policy and procedure documents to the Central Bank if it does not intend to operate in line with all of the policies and procedures set out therein.

6. Processing Applications

The completed Application Form, along with all relevant accompanying material, should be submitted in both soft and hard copy format to the Central Bank. The paper copy should be sent to *Moneylending Unit, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2* and the electronic version can be included with the paper copy or sent by email to moneylending@centralbank.ie.

The key stages of the application process are as follows:

Stage 1 - Acknowledgement

The Central Bank will acknowledge receipt of an Application for Authorisation submitted by the applicant within **3 working days** of receipt.

Stage 2 - Key Information Check

The Central Bank will then check that the application material submitted contains all the key information and documentation required to proceed to the assessment phase. Within **10 working days** of receipt of the application, the Central Bank will either:

- I. Advise the applicant that the application contains sufficient material to proceed to the assessment phase (further information is likely to be required as part of the assessment phase and may be required thereafter before a decision will be made in respect of the application); or
- II. Advise the applicant that the application does not contain sufficient material to proceed to the assessment phase and so is not being progressed to that phase. A statement of the omitted information is also provided to assist the applicant should it wish to submit another application in the future. Any subsequent application will be considered a new application and the application process commences again.

Stage 3 - Assessment Phase

Where sufficient information has been received, as outlined in 2(I) above, the Central Bank will then proceed to the assessment phase of the application process. The application material submitted will be reviewed against the relevant authorisation requirements to determine whether sufficient information has been provided to enable the Central Bank to issue a 'Notification of Assessment' letter as referred to in Stage 4 below. The Central Bank will issue initial comments to the applicant based on its review of the application material submitted and any subsequent comments based on its review of responses submitted by the applicant. The Central Bank has published service standards (see below) in respect of the processing of applications for authorisation and in the context of meeting those standards the service standard timeframe to which the Central Bank has committed for the assessment phase of the application process is **90 working days**. However, it should be noted that in the event of further and/or subsequent information being sought, this 90 day 'clock' is paused until such information is received by the Central Bank from the applicant.

In the event of the applicant failing to respond to a request from the Central Bank for further and/or subsequent information, after **60 working days** the application may not be considered further by the Central Bank.

Stage 4 – Notification of Assessment

The Central Bank will notify the applicant of the outcome of the Assessment Phase of the application process as follows:

- a) Where the assessment is favourable, the Central Bank will notify the applicant by letter that it proposes to authorise the applicant on the basis of the information provided in its application submission, provided any specified final steps are taken and/or any specified final items of information and evidence are received. This letter will also specify any specific conditions that the Central Bank proposes to impose on the authorisation itself once granted. This letter will explain the reasons for these proposed conditions and the applicant will be afforded the opportunity to make representations in respect of the proposed conditions before the Central Bank makes any decision on the application.

- b) In the event that the Central Bank is not satisfied on foot of the Assessment Phase such that it can issue a Notification of Assessment letter under (a) above, the Central Bank will advise the applicant of this by letter. The letter will set out the areas to be addressed and afford the applicant the opportunity to do so and to make any submissions it wishes to the Central Bank in respect of these matters.

Stage 5 – Notification of Decision in Respect of the Application

Once the Central Bank has assessed any further information/evidence/representations submitted by the applicant following on from Stage 5 above, the Central Bank will notify the applicant, via letter, of its decision on the application as follows:

- a) **Authorisation** – The Central Bank has decided to grant an authorisation.
- b) **Authorisation with Specific Conditions** – The Central Bank has decided to grant an authorisation with specific conditions attached to the authorisation. The specific conditions to be attached to the authorisation will be outlined in the letter.
- c) **Proposed Refusal of Authorisation** – **The Central Bank** is minded to refuse the application for authorisation. In accordance with the applicable legislation, the Central Bank will notify the applicant of the grounds for the proposed refusal of the authorisation. The applicant will then have an opportunity to make submissions in response to the proposed refusal. These submissions will then be considered by the Central Bank following which a decision will be taken by the Central Bank to grant or refuse the authorisation applied for, as appropriate. Details of the Central Bank's process for the refusal of an application for authorisation are available [here](#).

If the applicant has any queries in respect of the application process it can contact the Central Bank at moneylending@centralbank.ie or use the contact form available [here](#).

7. Optional Pre-Application Meeting

The Central Bank offers the facility of a single optional pre-application meeting to applicants to answer specific questions about any aspect of the application process and completing the Application Form. Please note that the Central Bank recommends that applicants who wish to avail of this facility have completed their application material to an advanced state before requesting such a meeting and have their specific questions prepared in advance in order to make the meeting as productive as possible. Such meetings will typically be no longer than one hour.

8. Service Standards and Performance Reports

Please find a link to the Service Standards Performance Reports page [here](#).

The reports set out the Central Bank's performance against Service Standards that it has committed to in respect of (i) Authorisation of Funds, (ii) Authorisation of Financial Service Providers and (iii) Processing of Fitness and Probity applications, on a half-yearly basis.

9. Application Fee and the Annual Funding Levy

The Central Bank does not currently charge an application fee in respect of an application for authorisation. The Central Bank may at some future stage elect to charge an application fee. Authorised applicants are subject to on-going prudential and consumer levies and The Central Bank will contact authorised applicants in this regard. For further information see Financial Regulation/Moneylending/Industry Funding Levy on the Central Bank's website at www.centralbank.ie. Click on the following link if you are reading this document online: [Industry Funding Levy](#).

Consumer Protection: Policy & Authorisations
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