



Name & Address

23 May 2008

Dear Name

If your firm provides retail credit, I draw your attention to important information set out below.

Recent legislation requires that firms acting as retail credit firms must be authorised and subject to ongoing supervision by the Financial Regulator [see attached definition].

Firms that are already authorised by or registered with the Financial Regulator for other regulated activities do not require a separate authorisation to provide retail credit.

If your firm is engaged in the provision of retail credit, the Consumer Protection Code [the Code] and the Minimum Competency Requirements [the Requirements] apply to that part of your business with effect from **1 June 2008**. In order to extend the Code and the Requirements to retail credit firms, it was necessary to make a number of amendments to both documents. The required amendments have been made by means of an Addendum to the Code and the Requirements and I attach both Addenda for your information.

In respect of such retail credit business, in the initial two-month period following implementation we will be particularly cognisant of issues relating to systems development or other technical difficulties and staff training in monitoring compliance.

Any queries should be submitted by e-mail to code@financialregulator.ie.

Yours sincerely



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Definition of Retail Credit Firm [contained in the Central Bank Act 1997, as amended by the Markets in Financial Instruments and Miscellaneous Provisions Act 2007]

‘retail credit firm’ means a person prescribed for the purpose of paragraph (g) of the definition of ‘credit institution’ in section 3 of the Consumer Credit Act 1995, or any other person who holds itself out as carrying on a business of, and whose business consists wholly or partly of, providing credit directly to relevant persons, but does not include –

- (a) a person who is a regulated financial service provider, or
- (b) a person who is an authorised credit intermediary under Part XI of the Consumer Credit Act 1995, or
- (c) in relation to credit that was originally provided by another person, a person to whom all or any part of that other person’s interest in the credit is directly or indirectly assigned or otherwise disposed of, or
- (d) a person who provides credit on a once only or occasional basis, but only if the provision of the credit does not involve a representation, or create an impression (whether in advertising, marketing or otherwise), that the credit would be offered to other persons on the same or substantially similar terms, or;
- (e) a person who is exempted, or who belongs to a class of persons that is exempted, under Section 29A from being required to hold an authorisation as a retail credit firm.

‘credit’ means a cash loan (whether or not provided on the security of a mortgage or charge over an estate or interest in land), but does not include credit or a class specified in section 3(2) of the Consumer Credit Act 1995;

‘relevant person’ means a natural person within the State, other than-

- (a) a natural person who is, or satisfies the criteria to elect to be treated as, a professional client for the purposes of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007), or
- (b) a person who is a regulated financial service provider.