



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Guidance Note on Completing an Application for Authorisation as a High Cost Credit Provider

Under the Consumer Credit Act, 1995 (as amended) (the 'Act')

September 2022

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1. Introduction

This Guidance Note should be read before commencing the completion of an Application Form for Authorisation as a High Cost Credit Provider.

This document provides guidance to applicants in relation to the requirements of the Central Bank of Ireland (Central Bank) when completing an Application Form for Authorisation as a High Cost Credit Provider. 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 licences to High Cost Credit Providers (formerly known as a “moneylender’s licence”).

Responsibility for the proper management and control of a High Cost Credit Provider firm rests with the principals involved in the running of the business (for example, director, manager, Company 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.

It should be noted that submitting the information requested in the relevant Application Form does not mean that an application is ‘complete’. The Central Bank may need to ask additional questions or seek further information and/or documentation to clarify the information provided by an applicant in the relevant Application Form. It is only when all additional information and/or documentation requested has been provided that the Central Bank will be in a position to determine whether an application is complete. As set out in the Application Forms, the information provided therein should be true, complete, accurate and up to date.

Information and relevant application documentation with respect to High Cost Credit Providers is available at the following link: [High Cost Credit Providers](#).

Note: There are two types of application forms for High Cost Credit Providers – one for new applicants and one for renewals. Both forms request different types of information.

2. Criteria for Assessing Applications

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

The following areas are assessed by the Central Bank in considering a renewal application for authorisation as a High Cost Credit Provider:

- Firm Details
- Governance/ Structure of Firm
- Product/Loan Details
- Financial Details
- Compliance
- Regulatory Background
- Attachments (e.g. Audited Accounts, Tax Clearance Certificate, Advertisement, Agreements, Loan Documentation).

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

This Guidance Note should be read, at a minimum, in conjunction with:

- the requirements of the Consumer Credit Act 1995 (as amended);
- the European Communities (Consumer Credit Agreements Regulations) 2010;
- the Central Bank (Supervision And Enforcement) Act 2013 (Section 48) (Licensed Moneylenders) Regulations 2020;
- the Fitness and Probity Standards (issued by the Central Bank under Section 50 of the Central Bank Reform Act 2010) including the associated guidance and Fitness and Probity FAQ. More information on Fitness and Probity [here](#);
- the relevant Anti-Money Laundering and Countering the Financing of Terrorism [requirements](#); and
- the relevant application form.

Currently in Ireland, there is no application fee for applying for authorisation. Please note that, once authorised, all regulated firms are subject to the Central Bank [Industry Funding Levy](#).

3. Fitness & Probity

High Cost Credit Providers must comply with the Fitness & Probity process that applies to all regulated financial services providers. The Fitness and Probity Regime was introduced by the Central Bank under the Central Bank Reform Act 2010 and was fully implemented by 1 December 2012.

Firms must seek **prior** approval from the Central Bank's Regulatory & Business Services Division ("RBSD") in respect of all individuals that it proposes to appoint to a Pre-Approval Controlled Function ("PCF") in the firm, for example, executive/non-executive director, head of finance or head of compliance. The individual must complete an online Individual Questionnaire ("IQ") endorsed by the firm and then submitted electronically to the Central Bank for assessment. A firm must not offer to appoint an individual to perform a PCF, until the Central Bank has approved the appointment in writing.

If Collection Agents are permitted to arrange the provision of credit to consumers on behalf of a firm then this role is considered to be a Controlled Function under the Central Bank's Fitness and Probity regime. Firms 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.

The Central Bank will provide firms with login details 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. RBSD 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.

Further information on the Fitness & Probity process can be found on the Central Bank website at the following link: [Fitness & Probity](#).

4. Making an Application

New Applicants

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

- its proposed business model requires authorisation pursuant to the Act;
- it is capable of complying with, and adhering to the relevant legislative requirements on an ongoing basis; and
- it has read this Guidance Note and has taken the information provided therein into consideration when completing the application form.

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.

Once an application is submitted the applicant must also ensure that all relevant individuals proposed to hold new PCF roles (typically board members, senior management, key function holders) have completed a Fitness and Probity IQ – further information is available [here](#). IQs must be submitted electronically by all relevant individuals. This only applies to individuals who are not currently approved to hold a PCF role within the firm and does not apply to the firm's existing PCF role holders.

Please note that access to the online IQ only becomes available after an application has been deemed to contain all the key information needed to progress to the assessment phase of the application process.

New and Renewal Applicants

The completed Application Form, along with all relevant accompanying material, should be submitted in electronic format to the Central Bank via email to highcostcredit@centralbank.ie. The use of regular postal services is not recommended for sensitive or confidential material, nor is it a requirement to submit applications by post.

The Central Bank authorises High Cost Credit Providers on the basis of the information provided in the application for authorisation. All firms 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 firm to ensure that the information provided to the Central Bank in the application for authorisation is accurate. The firm 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 High Cost Credit Provider'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.

5. Completing the Application Form

Newspaper Advertisement

Section 93 (2) of the Act states that *“A person who intends to apply for a high cost credit provider’s licence shall before making such application cause to be published, in a national newspaper published and circulating in the State, a notice of the person’s intention.”* Please ensure that the copy of the firm’s newspaper advertisement is submitted with the application and is clearly legible.

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 High Cost Credit Provider’s licence under the provisions of Part VIII of the Consumer Credit Act, 1995 (as amended) for the years 20XX to 20XY”.

Regulatory Disclosure Statement

The required disclosure statement for High Cost Credit Providers **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 high cost credit 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 firm’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.

Renewal applicants are required to confirm if the licence owner is involved in the following activities:

- Licence for the Sale of Intoxicating Liquor
- Gaming Licence

- **Pawnbroker's Licence**
- **Bookmaker's Licence**

Terms and Conditions

Renewal applicants are required to confirm if any changes have been made to its documentation since its previous application. If no changes have been made, the firm will be issued the same licence that was issued in the previous period. Firms who have amended document(s) since its previous application are required to submit the relevant document(s) with the amendments highlighted.

Firms who have not made any changes to its documentation since their last application are not required to submit these documents. Please note that the Central Bank may request these documents at any time. The onus is on the firm 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 that High Cost Credit Providers must comply with the European Communities (Consumer Credit Agreements) Regulations 2010, as amended ("the Regulations"). Each firm 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 requirements 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 firm's SECCI must be submitted with its application for a moneylending licence (if applicable).

Policies and Procedures

With regard to governance and control measures in place, 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 of Applications

The completed Application Form, along with all relevant accompanying material, should be submitted by email to highcostcredit@centralbank.ie

Renewal Applicants

The timelines below do not apply to renewal applicants. Prior to expiry of existing licences, the Central Bank will contact firms to submit a renewal application form. The Central Bank will seek to process the renewal application form, prior to the expiry of the firm's existing licence.

If renewal applications are not possession of any of the information requested in the application form (for example audited accounts or a valid tax clearance certificate), the completed application form must still be returned before the deadline, along with an explanation as to why the outstanding information has not been submitted. Do not delay in returning the completed renewal application form, whilst waiting on the outstanding document.

New Applicants

The various stages of the authorisation process for new applicants are as follows:

Stage 1 - Acknowledgement

The Central Bank will acknowledge receipt of a renewal application submitted by the firm within 3 working days of receipt.

Stage 2 - Key Information Check

The Central Bank will then check that the renewal application material submitted contains all the key information and documentation required to proceed to the assessment phase within 10 working days. If the application contains the required information, the Central Bank will commence the assessment phase. If the application does not contain sufficient material to proceed to the assessment phase the Central Bank may return the application to the firm and request that it be re-submitted in full.

Stage 3 - Assessment Phase

Where sufficient information has been received, the Central Bank will then proceed to the assessment phase of the application process. The application material submitted will be reviewed against the relevant requirements to determine whether sufficient information has been provided to reach a determination in respect of the application. The Central Bank will issue initial comments to the firm based on its review of the application material submitted and any subsequent comments based on its review of responses submitted by the firm. 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.

The Central Bank has published service standards in respect of the processing of applications for new 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.

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 4 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](#)

7. Authorisation

If the firm's application is approved, the Central Bank will issue a formal authorisation to the firm by email, in the form of a High Cost Credit Provider's licence, a licence appendix and a covering letter. The firm's licence and licence appendix specify the term, the maximum interest rate and maximum cost of credit that the firm is authorised to offer/charge.

The firm's licence appendix lists the loan products that the High Cost Credit Provider notified to the Central Bank in its application form and which the firm is authorised to provide.. It specifies; the type of loan (cash, voucher, goods etc.), loan term, interest rate, cost of credit, and total cost of the loan for each product notified to and authorised by the Central Bank.

The Central may suspend, revoke or vary the terms of a firm's licence as or refuse to issue a licence where a firm does not comply with the terms of its existing licence. The Central Bank will notify the firm of its intention and the firm will have the opportunity to make written representations, before a final decision is made.

For Contact Details, see back cover of Guidance Notes.

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