



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

2017

## Guidance Note on Completing a Renewal 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 a Renewal 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 firm 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, firms must comply with the Central Bank’s Fitness and Probity regime, which came into effect on 1 December 2011 (see also Section 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.

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

**In advance of submitting a renewal application for authorisation, the firm should satisfy itself that it continues to comply with the following:**

- the requirements of the Act, the European Communities (Consumer Credit Agreements Regulations) 2010 and the Consumer Protection Code for Licensed Moneylenders;
- on-going supervisory requirements;
- Fitness and Probity requirements;
- Criminal Justice (Moneylaundering and Terrorist Financing) Act 2010, as amended by the Criminal Justice Act 2013;
- policies and procedures are 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.

## 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 a renewal application for authorisation as a moneylender include:

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

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

## 2. Fitness & Probity

The firm 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.

A firm must seek **prior** approval from the Central Bank's Regulatory Transactions Department ("RTD") 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") which is 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. A firm 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](http://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 a renewal 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. The declaration part of the application form must be signed. Applications that are not signed will be returned to the firm immediately.

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

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 electronic version should be sent to [moneylending@centralbank.ie](mailto:moneylending@centralbank.ie) and the paper copy to:

*Moneylending Unit, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, New Wapping Street, North Wall Quay, Dublin.*

The Central Bank authorises moneylenders 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.

If the firm is not in 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 application form, whilst waiting on the outstanding document.

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 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. Guidance on Completing Renewal Application 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](http://www.irishstatutebook.ie)), which sets out the up to date list of DCDs and their related areas.

For firms 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 firm intends to operate. Thus, a firm 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 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.

### **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 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 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 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 firm’s SECCI must be submitted with its application for a moneylending licence (if applicable).

### **Credit Servicing Activities (Question 1.19 of the Application Form)**

Credit Servicing Firms are typically firms that manage or administer credit agreements such as mortgages or other loans (e.g. personal loans) on behalf of unregulated entities, or who acquire such loans and service the credit on their own behalf<sup>1</sup>.

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<sup>1</sup> Acquiring a book of moneylending agreements from another licensed moneylender and servicing same is considered to fall within the meaning of moneylending and is not considered to be a credit servicing activity.

Part V of the Central Bank Act 1997 (the “1997 Act”) was amended by the Consumer Protection (Regulation of Credit Servicing) Act 2015 (the “2015 Act”) to provide for a regulatory regime in respect of Credit Servicing Firms, bringing such firms within the Central Bank’s regulatory remit. Please see the definitions of a ‘Credit Servicing Firm’ and ‘credit servicing’ as set out in Part V of the 1997 Act. This legislative amendment ensures that relevant borrowers whose loans are sold to third parties maintain the regulatory protections they had prior to the sale including the protections provided by the Central Bank’s statutory Codes of Conduct.

Under the 1997 Act a person who meets the definition of a Credit Servicing Firm is required to obtain authorisation from the Central Bank in order to provide these services, unless specifically exempt from having to do so. However, the relevant regulatory regime may still apply regardless of whether a firm is exempt from falling to be authorised or not. Firms are advised to seek legal advice if in any doubt regarding whether their activities fall within the scope of the legislation. Further information is also available in the ‘Credit Servicing Firms’ section of the Central Bank website.

## **5. 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 electronic version should be sent to [moneylending@centralbank.ie](mailto:moneylending@centralbank.ie) and the paper copy to: Moneylending Unit, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, New Wapping Street, North Wall Quay, Dublin

The various stages of the authorisation process are as follows:

### Stage 1 - Acknowledgement

The Central Bank will acknowledge receipt of a Renewal Application for Authorisation submitted 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. If the application contains sufficient material, it will 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.

If the application does not contain sufficient material to proceed to the assessment phase, the application will not be progressed and will be returned to the firm. The firm will be informed of same within 10 working days from the date of receipt and will receive a statement of the omitted information.

Instances where key information has not been provided include:

- The application form is not complete and/or signed
- Documents requested in the application form have not been provided with no explanation provided
- Responses to questions are substantially deficient, such as:
  - Descriptions of business model
  - Descriptions of products

### Stage 3 - Assessment Phase

Where sufficient information has been received the Central Bank will proceed to the assessment phase of the authorisation process. The application material submitted will be reviewed against the relevant authorisation requirements to determine whether sufficient information has been provided to reach a determination in respect of the application. The Central Bank may 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.

The Central Bank has published service standards in respect of the processing of renewal applications for authorisation and in the context of meeting those standards the service standard timeframe to which the Central Bank has committed for the issuing of a renewal licence is to issue same prior to the expiry of the firm's current licence.

## **6. Authorisation**

If the firm's application is approved, the Central Bank will issue a formal authorisation to the firm by post, in the form of a moneylender's licence, a licence appendix and a covering letter. The firm's licence and licence appendix specify the term, the maximum APR and maximum cost of credit that the firm is authorised to offer/charge.

The firm's licence appendix lists the loan products that the moneylender notified to the Central Bank in its application form and were authorised. It specifies; the type of loan (cash, voucher, goods etc.), loan term, APR, cost of credit, collection charge and total cost of the loan for each product notified to and authorised by the Central Bank.

If it is deemed appropriate, the Central may suspend, revoke or vary the terms of a firm's licence as it sees fit or refuse to issue a 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.

## **7. Application Fee and the Annual Funding Levy**

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

**See Contact Details on back cover of Guidance Notes.**

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