



Banc Ceannais na hÉireann
Central Bank of Ireland

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Guidance Note on Completing an Application for Authorisation as a Retail Credit Firm

under Part V of the Central Bank Act 1997 (as amended)

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1. Introduction

In November 2007, Part V of the Central Bank Act 1997 ('the Act') was amended by the Markets in Financial Instruments and Miscellaneous Provisions Act 2007. Effective from 1 February 2008, the Central Bank of Ireland (the 'Central Bank') is the body responsible for the authorisation and supervision of Retail Credit Firms.

Part V of the Act provides for a regulatory regime for Retail Credit Firms in Ireland. Chapter 1 of Part V of the Act defines "retail credit firm", and "credit", while Chapter 3 deals with, inter alia, the authorisation of Retail Credit Firms. Chapters 1 and 2 of Part V of the Act must be examined to determine whether or not authorisation under the legislation is required.

This Act has been further amended by the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015, effective 8 July 2015. This Act has the effect of removing the exemption which previously applied to certain classes of financial services providers. Previously exempt firms who had been carrying on business as a Retail Credit Firm were required to apply for authorisation prior to 8 October 2015 in order to continue to avail of the transitional arrangements as set out in the Act. This requirement is contained in section 34E of the Act.

Applicants seeking authorisation as a Retail Credit Firm must complete the "Application for Authorisation as a Retail Credit Firm under Part V of the Central Bank Act, 1997 (as amended)" form. Information and the application documentation with respect to Retail Credit Firms applications is available [here](#).

This document provides guidance to applicants in relation to the requirements of the Central Bank when completing the Application Form for authorisation as a Retail Credit Firm in Ireland. **It does not constitute legal advice nor does it seek to interpret relevant legislation.** Applicants should read this Guidance Note in full prior to completing the Application Form pertaining to it.

The Central Bank welcomes applications where the proposed Retail Credit Firm can meet the legislative requirements relating to an authorisation as a Retail Credit Firm and all other applicable legislative requirements and regulatory requirements published by the Central Bank.

2. Criteria for Assessing Applicants

The Authorisation Requirements and Standards for Retail Credit Firms sets out the requirements that must be satisfied in order for an authorisation as a Retail Credit Firm to be granted. The information that must accompany an application is included in the Central Bank's Application Form for Authorisation as a Retail Credit Firm. Applicants seeking authorisation as a Retail Credit Firm must therefore have regard to these provisions. This guidance note should be read in conjunction with (but not limited to):

- the relevant legislation including the Act;
- the Authorisation Requirements and Standards for Retail Credit Firms;
- the Fitness and Probity Standards (issued under Section 50 of the Central Bank Reform Act 2010);

- the Minimum Competency Code 2011 (MCC);
- the Consumer Protection Code 2012; and
- the application form entitled '*Application Form for Authorisation as a Retail Credit Firm under Part V of the Central Bank Act 1997 (as amended)*' (Application Form).

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

- Organisation and governance of the applicant;
- Business Plan;
- Programme of Operations;
- Financial Information;
- Compliance Procedures;
- Outsourcing arrangements and oversight (where applicable);
- Fitness and probity of directors and managers;
- Shareholders/Members (including Qualifying Shareholders); and
- Regulatory Background (where applicable).

The requirements in relation to each of these headings are detailed in the aforementioned Application Form. An authorisation as a Retail Credit Firm will only be granted to a person established in the State.

3. Making an Application

In advance of submitting an application each applicant must:

- Consider whether its proposed business model requires authorisation pursuant to the Act (including meeting the definition of a "Retail Credit Firm" as set out in the Act);
- Consider whether it can comply with the requirements of relevant financial services legislation including the Authorisation Requirements and Standards for Retail Credit Firms and any on-going supervisory requirements; and
- Read this document and take the information provided therein into consideration when completing the Application for Authorisation as a Retail Credit Firm.

Applicants are advised to seek legal advice if they are in any doubt about whether their proposed activities require authorisation pursuant to the Act or with regard to how they should comply with the Authorisation Requirements and Standards for Retail Credit Firms. If having received and considered such legal advice firms have any doubt about their status they are advised to submit an application for authorisation.

All reasonable steps must be taken by an applicant to ensure that the information provided to the Central Bank, in support of an application for authorisation, is accurate and complete. Applicants should note that pursuant to section 36A (1)(c) of the Act, the Central Bank may revoke an authorisation on the basis that it has been obtained by means of a false or misleading representation.

4. Guidance on Completing an Application Form for Authorisation as a Retail Credit Firm

This section provides assistance for applicants when answering the questions set out in the Application Form. Please note that the numbering sequence below also includes reference to that of the Application Form.

Applicants should ensure that **ALL** questions set out in the Application Form are answered succinctly and fully. Where there is a consistent lack of detail or where excessive non-specific detail is provided, submissions will be returned without review. Answers to questions set out in the Application Form should be presented in a logical manner.

Section 1: Structural Organisation

Application Form Reference	
1.1	This name must mirror the applicant’s constitutional documentation and the name registered with the Companies Registration Office at the date of submission of the Application Form where applicable. In the case of a Sole Trader, the applicant name will be that of the sole trader and in the case of a Partnership, the applicant name will be the name of the partners.
1.2	This sets out the legal status of the applicant (limited company, partnership, sole trader etc.). Where the applicant is a company limited by shares, the applicant must specify what type of company it is (private company limited by shares, designated activity company, public limited company, etc.). Registered number – No additional notes.
1.3	The registered trading name that the applicant firm will use for the branding of its services, promotions, advertising etc. (where applicable). This name must be registered with the Companies Registration Office.
1.4	This address must mirror the registered address of the applicant lodged with the Companies Registration Office.
1.5	What constitutes a “head office” / “principal place of business” is a matter to be determined, given the particular circumstances of each case. In general, the Central Bank interprets “head office” / “principal place of business” to mean the location of the mind and management of the applicant and the place where the day-to-day decisions about the direction of the applicant’s business are taken. While the onus of meeting the statutory requirements and satisfying the Central Bank that adequate and effective control of an entity rests in Ireland lies with the applicant, some guidance on what the Central Bank would expect to see is set out below. This is not intended to be a ‘formula’ for meeting the “head office” / “principal place of business” requirement. However, it does provide an indication of what the Central Bank will expect to see in this regard. The Central Bank will expect decision making at Board and Committee level to take place within the State. In addition, to ensure that

	<p>the central management is located within the "head office" / "principal place of business", its functions must include:</p> <ul style="list-style-type: none"> • Financial control; • Legal and compliance; and • Risk management. <p>It follows that there should be a significant senior management presence (within the applicant) in the State to ensure that full authority and effective control of the applicant rests within the "head office" / "principal place of business".</p>
1.6	This must be someone who is familiar with the applicant's business model and its application submission, and must be someone who works for / will work for the applicant if and when authorised, and not a professional advisor to the applicant.
1.7	See 1.5 above.
1.8	No additional notes.
1.9.1	No additional notes.
1.9.2	<p>A certified document is one that is stamped, signed and dated as being a true copy of the original by a party independent of the firm. An independent party should be a solicitor, accountant, peace commissioner, notary or commissioner for oaths.</p> <ul style="list-style-type: none"> • The certification stamp must be clearly identifiable on the relevant document; and • The date of certification should be as close to the date of submission of the Application Form as possible. If the documents are amended at any stage during the application process an up to date certification of the documents must be submitted to the Central Bank along with certified copies of any special resolutions amending the documents.
1.9.3	No additional notes.
1.10.1	No additional notes.
1.10.2 (a)	See 1.9.2 above.
1.10.2 (b)	See 1.9.2 above.
1.10.2 (c)	No additional notes.
1.10.3	No additional notes.
1.11.1 (a)	See 1.9.2 above.
1.11.1 (b)	No additional notes.
1.12.1	No additional notes.
1.12.2	No additional notes.

Section 2: Programme of Operations

Application Form Reference	
2.1	A standalone Programme of Operations document should form part of the applicant's application submission. The applicant should ensure that it addresses, at a minimum, the information requested in Appendix 1 to the Application Form, whilst also ensuring

	<p>that all areas in Section 2 of the Application Form are adequately addressed.</p> <p>Section 2.1 only applies to any activities that fall within the scope of the Act and which will require the applicant to be authorised as a Retail Credit Firm by the Central Bank. Details in relation to any other activities the applicant proposes to conduct, should be addressed in the applicant’s response to sections 2.8 to 2.12 (if also proposing to provide credit servicing in relation to loans purchased or intended to be purchased from third parties or other credit servicing provided to third parties), or otherwise section 2.13 of the Application Form.</p>
2.2	No additional notes.
2.3	When providing the information required in this section, please provide details to cover proposed activities in the first eighteen months of operation, post authorisation.
2.3 (a)	The Applicant is required to provide a concise description of its proposed activities that will constitute the business activities of a Retail Credit Firm within the meaning of the Act and will require authorisation. The description must be sufficiently clear to ascertain the precise objective and nature of the activity which requires authorisation.
2.3 (b)	No additional notes.
2.3 (c)	The Applicant is required to outline the types of loan that it proposes to offer, i.e. provide a breakdown as to whether the loans will be mortgages/personal loans/small business loans, etc.
2.3 (d)	The Applicant is required to outline the total number of loans and the total value of loans that it proposes to offer in the first eighteen months of operation, post authorisation.
2.4.1	No additional notes.
2.4.2	Please provide the name and position of the relevant person(s).
2.4.3	Please provide the name and position of the relevant person(s).
2.5.1	The applicant is required to confirm that all loans will be issued in the name of the applicant and if the firm will provide the loans directly to the borrower. Where the firm intends to issue credit via an intermediary, the applicant should confirm who these intermediaries are and the relevant arrangements which are in place between both parties (letter of appointment, terms of agreement, oversight arrangement, etc.).
2.5.2	No additional notes.
2.5.3	No additional notes.
2.6	The applicant is required to refer to the internal processes, functions and strategies aimed at designing products, bringing them to the market and reviewing them over their life cycle.
2.7.1	The applicant is required to set out if the funding is provided from its own resources, or if funding is from other 3 rd parties. Where it is from other parties, relevant details in relation to these parties have to be set out.
2.7.2	No additional notes.
2.8	The applicant should indicate the credit servicing activities that it plans to provide within 18 months’ post authorisation. If the applicant has longer term plans to provide additional credit servicing activities, permission to provide these additional services should be sought post authorisation.
2.9	The applicant is required to set out whether it proposes to conduct credit servicing on its own behalf/ on behalf of a group company or on behalf of a 3 rd party.
2.9.1	In each instance, a description of the contractual arrangement in place should be provided outlining the role and responsibilities of each party to the contract.
2.10.1	The applicant is to provide a clear description of the credit servicing activities it proposes to conduct, describing each of the credit servicing activities (as listed in 2.8 above) in order to provide the Central Bank with a full understanding of these

	activities.
2.10.2	No additional notes.
2.10.3	<p>(a) In particular, the applicant should examine whether its activities require authorisation under the Central Bank Act, 1997.</p> <p>(b) The Central Bank would have concerns if loan repayments received were being commingled with the applicant's own funds. We would also have concerns if there is potential for the customer to potentially lose any repayments made as a result of an event that occurs in the applicant.</p>
2.10.4	The applicant should describe any additional non-credit servicing activities which it proposes to conduct for loan owners in addition to the credit servicing activities outlined in 2.10.1.
2.10.5	Where an applicant has plans to potentially conduct credit servicing in respect of additional loan portfolios, it is required to provide the Central Bank with details of the processes it has in place to on board such portfolios in order to ensure that it has the necessary personnel, IT systems and other necessary resources to take on a new loan portfolio, and also that it has adequate governance arrangements to ensure that all necessary steps are taken to ensure that a loan portfolio is correctly on boarded.
2.11	The applicant is required to confirm that credit agreement(s) will be put in place with the loan owners for whom the applicant proposes to conduct credit servicing, and to describe the applicant's role as under the agreement with the loan owner and cross reference where each of the points described in 2.11 (a) – (f) of the Application Form are outlined in the agreement in place with the loan owner.
2.12	No additional notes.
2.13	No additional notes.
2.14	<p>The applicant should highlight, where it is proposed, that an individual will be responsible for more than one function within the applicant (e.g. carries out both the Risk and Compliance functions).</p> <p>Job descriptions should clearly outline the day-to-day role and responsibilities of each of the applicant's employees. Where it is proposed that an individual will be responsible for more than one function, the applicant is required to demonstrate how:</p> <p>a) The individual will have sufficient time and resources to fulfil the roles; and</p> <p>b) There are no segregation of duties issues between those roles.</p> <p>Where an applicant has multiple employees in a team/function performing similar roles, a description as to the responsibilities of the function will suffice.</p>
2.15	<p>The Central Bank reserves the right to require independent non-executive representation on the Board of Directors depending on the nature, scale and complexity of the applicant's proposed activities.</p> <p>Independent Directors (criteria):</p> <p>The following criteria must be considered and given reasonable weight in order to assess whether a director is independent:</p> <p>(a) Any financial or other obligation the individual may have to the applicant or its directors;</p> <p>(b) Whether the individual is or has been employed by the applicant or a group company in the past and the post(s) so held;</p> <p>(c) Whether the individual is or has been a provider of professional services to the applicant in the recent past;</p> <p>(d) Whether the individual represents a significant shareholder in the applicant;</p>

	<p>(e) Circumstances where the individual has acted as an independent non-executive director of the applicant for extended periods;</p> <p>(f) Any additional remuneration received in addition to the director’s fee, related directorships or shareholdings in the applicant; and</p> <p>(g) Any close business or personal relationship(s) with any of the applicant’s directors or senior employees.</p> <p>The standing board agenda should include at a minimum the following:</p> <ol style="list-style-type: none"> 1. Business Development; 2. Finance; 3. Compliance; 4. Internal Audit; and 5. Risk. <p>Where the applicant has a committee / sub-committee in place, the objective of and the modus operandi of the committee must be disclosed in the Business Plan, e.g. the purpose of having the committee in place and whether decisions are to be unanimously, majority reached, etc. Disclose the composition/membership of the committee and frequency of meetings. The reporting lines of the Board committee(s) should also be outlined.</p>
2.16.1	<p>The Central Bank considers outsourcing to be an arrangement of any form between an applicant and a service provider by which that service provider performs a process, a service or an activity on behalf of the applicant which could otherwise be considered would be undertaken by the applicant itself.</p> <p>Where an applicant engages in outsourcing, that outsourcing should not detract from the applicant being in a position to demonstrate that its ‘heart and mind’ is located in the applicant, and that the applicant is not delegating responsibility for the operation or management of key functions to a third party.</p> <p>Where outsourcing of an important operational function is proposed, the Central Bank requires that this outsourcing does not:</p> <ol style="list-style-type: none"> 1. result in the delegation by senior management of its responsibility in respect of that function; 2. alter the relationship and obligations of the applicant firm towards its customers; 3. undermine the conditions with which the applicant firm is to comply with in order to be authorised and remain so in accordance with the Act; 4. remove or modify any other condition of the applicant firm’s authorisation; 5. materially impair the quality of the applicant firm’s internal controls; or 6. materially impair the ability of the Central Bank to monitor applicant firm’s compliance with its obligations under the Act. <p>For the purposes of the above, an operational function is important if a defect or failure in its performance would materially impair—</p> <ol style="list-style-type: none"> a) the continuing compliance of the applicant firm concerned with the requirements of its authorisation or its other obligations under the Regulations; b) its financial performance; or c) the soundness or continuity of its credit servicing activities.

	<p>Functions that are considered important operational functions include Operations, I.T., Finance, Internal Audit, Risk Management and Compliance.</p> <p>While the Central Bank does not require the applicant to submit copies of Service Level Agreements with outsourced service providers as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
2.16.2 – 2.16.9	No additional notes
2.17	No additional notes
2.18	<p>An applicant firm is required to demonstrate that the organisation of its business structure is such that it is capable of being supervised by the Central Bank, and that adequate and effective control of the firm rests in the State. Factors to be considered in this regard include:</p> <ul style="list-style-type: none"> (a) where the mind and management of the applicant firm is located; (b) where key decisions regarding the direction of the business are made; (c) where key functions are undertaken; (d) what reporting lines exist; (e) where key books and records are kept; and (f) how the applicant firm will engage with borrowers including, in particular, the practical facilities that will be made available to borrowers in arrears to resolve their arrears. <p>Adequate arrangements in this regard are required in order to ensure that the proper and orderly regulation and supervision of persons authorised to carry on the business of credit servicing.</p>
2.19	<p>When describing the functionality of an applicant firm’s key I.T. systems, the applicant firm should also provide screen shots/sample reports in its application submission in order to assist the Central Bank’s understanding in this regard.</p> <p>If the applicant firm has outsourced its I.T. software development/ maintenance/ hosting, it is required to provide any information requested in 2.16 of the Application Form in respect of the outsourced activity.</p>
2.20	<p>Applicant firms are required to demonstrate how they have satisfied themselves that their current procedures, processes and systems enable them to comply with their requirements under financial services legislation as outlined in Section 8 of the Application Form, and in particular the Central Bank’s statutory Codes of Conduct.</p> <p>Where the applicant is also providing Credit Servicing activities they should demonstrate how they are satisfied that the protections which applied prior to the sale of the loan remain in place as a result of the actions of the applicant firm.</p>
2.21	References to the Compliance Function and Compliance Officer are taken to mean the activity of and the person within the firm dealing with compliance. Depending on the nature, scale and complexity of an applicant, the Central Bank might expect that the applicant would have a dedicated person, at a senior level with specific responsibility for compliance.
2.21.1	<p>Please set out the resources in place to implement and manage a compliance programme to ensure that it is compliant with all relevant legislative and regulatory obligations.</p> <p>The applicant must demonstrate that it is aware of the compliance universe that applies to its business. The applicant should demonstrate that it is aware of and</p>

	<p>understands all applicable legislative and regulatory requirements that it is subject to and with which it must comply.</p> <p>While the Central Bank does not require the applicant to submit its actual Compliance Manual or related policies and procedures documents as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
2.21.2	No additional notes.
2.22	The Central Bank may request the firm to provide additional information in relation to its AML/CTF processes and procedures depending on the nature, scale and complexity of the firm's activities.
2.23	<p>The Central Bank requires authorised Retail Credit Firms to actively manage/monitor the risks to which they are exposed. This is typically done by way of a risk management process and periodic consideration of a risk register.</p> <p>While the Central Bank does not require the applicant to submit its actual Risk Management Manual or related policies and procedures documents as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
2.24	<p>Depending on the nature, scale and complexity of an applicant's operation, the Central Bank might expect that a firm would have an internal audit function.</p> <p>Where the applicant has an internal audit function it is required to set out the following in respect of its internal audit function:</p> <ul style="list-style-type: none"> • Demonstrate how the audit function is independent from the operational activities of the applicant; and • Provide an overview of the internal audit team and its experience. <p>The overview of the applicant's internal audit plan should demonstrate to the Central Bank that:</p> <ul style="list-style-type: none"> • It is being set on a risk based approach; • It should provide an overview of the plan's scope, objective and activities to be undertaken; and • It should outline the resources that are required to implement the internal audit plan and the reporting lines up to and including the Board level of the internal audit function. <p>If the applicant has outsourced its internal audit function, it is required to provide any information requested under section 2.16 of the Application Form in respect of the outsourced activity.</p>
2.25	No additional notes.
2.26	<p>Where the applicant is part of a group, please ensure that the business continuity plans are specific to the applicant and not group entities.</p> <p>The applicant's proposed back up disaster recovery area should not be a private residence. The Central Bank should have unrestricted access to the disaster recovery area if required.</p>
2.27	No additional notes.

Section 3: Business Plan

Application Form Reference	
3.1	A standalone business plan should form part of the application submission. The applicant should ensure that it addresses, at a minimum, the information requested in Appendix 1 to the Application Form, whilst also ensuring that all areas in Section 3 of the Application Form are adequately addressed.
3.2	The Applicant is required to submit its latest audited accounts with its application. Management accounts should also be provided if audited accounts do not represent a period to within 2 months of the application submission.
3.3.1	<p>The financial projections in respect of the applicant for the first three years must be sufficiently detailed to provide the Central Bank with an understanding of the applicant’s viability on an on-going basis.</p> <p>The financial projections must be submitted in the following format:</p> <ul style="list-style-type: none"> a) The Profit and Loss Account must be in the following format: Income Less Expenses = Gross Profit Less Taxation = Net Profit Less Dividends (if any) = Retained Profit. b) Only Year 1 of the Profit and Loss Account must be broken down into monthly periods. Year 2 and Year 3 need not be broken down into monthly periods and therefore yearly totals should be provided for each. c) The Income section of the Profit and Loss Account must be broken down into regulated / non-regulated activities carried out. Each line item must account for the income projected for each activity as highlighted in Section 3.3.1 of the Application Form. d) The applicant must provide workings / detailed calculations for each month / year in order for the Central Bank to reconcile the projected income to be derived from that line of activity against the applicant’s assumptions for that activity, e.g. it could be based upon x number of loan owners/transactions/transaction value with the applicant earning e.g., a certain amount per transaction or certain percentage of transaction volume. e) The Expenses section of the Profit and Loss Account must break down each individual expense item to the extent that distinguishes between the different categories of expenses. For example, categories of expense will include salaries, rent, utilities, subscriptions, etc. and therefore need not be broken down any further. f) The Retained Profit/Loss must also incorporate the latest financial position of the applicant, i.e. where an applicant is currently trading, it must carry forward its latest (available) retained profit/loss. g) The Balance Sheet must be in the following format: Fixed Assets + Current Assets Less Current Liabilities = Net Assets = Shareholders Funds. h) It is critical that the applicant ensures that the Retained Profit / Loss figure in the Balance Sheet reconciles with the Profit and Loss Account while ensuring in cases where an applicant is currently trading, its retained profit / loss figures to date (based on audited accounts and/or latest management accounts) are accurately being carried forward into the projections. <p>The applicant must provide a note describing all line items accounted for in the Profit and Loss Account and Balance Sheet. The description can be appropriately brief as long as it is sufficiently clear what the entry is providing for. Furthermore, where an amount</p>

	in a line item is fluctuating by greater than 10% per year [or month in the case of Year 1 of the Profit and Loss Account (only)], an explanation must be provided in the note to explain the rationale behind the movement.
3.3.2	Applicants are required to demonstrate to the Central Bank how they will be in a position to manage the risk that they might not be in a position to operate within the bandwidth of its financial projections. For example: Is the applicant reliant on particular loan owner(s)? Is there a risk that the applicant’s business might not grow as quickly as projected and that profitability will be impacted? Would any event impact upon the applicant’s viability?
3.3.3	No additional notes.
3.4.1	No additional notes.
3.4.2	The applicant should ensure that the information provided in relation to income is consistent with that provided in its financial projections.
3.5.1	Please provide information on Retail Credit activities and Credit Servicing activities where applicable.
3.5.2	No additional notes.
3.5.3	No additional notes.
3.6	No additional notes.
3.7	No additional notes.

Section 4: Professional Advisors and External Auditors

Application Form Reference 4.1.1 4.1.3	No additional notes.
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Section 5: Directors, Managers, Partners, Sole Trader and Staffing Arrangements

Application Form Reference	
5.1	<p>The applicant is responsible for ensuring that staff performing Pre-Approval Controlled Functions/Controlled Functions meets the Fitness and Probity Standards both on appointment to such functions and on an on-going basis. These Standards can be found at the attached address:</p> <p>http://www.centralbank.ie/regulation/processes/fandp/Pages/IntroductiontoFitnessandProbity.aspx</p> <p>Specifically, an applicant 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 Fitness and Probity Standards, and it has obtained confirmation that the person has agreed to abide by those Standards. The Central Bank shall not grant an authorisation to an applicant to operate as a Retail Credit Firm unless the applicant satisfies the Central Bank as to the fitness and probity of each individual holding/proposed to hold a Pre-Approval Controlled Function.</p>

	<p>The applicant is required to complete an online Individual Questionnaire ('IQ') for each individual holding/proposed to hold a Pre-Approval Controlled Function. IQs must be endorsed by the proposing applicant and submitted for approval to the Central Bank via its Online Reporting System ('ONR'). The applicant will be required to identify a System Administrator within its business who will then be provided with logon details and the required access to the ONR to set up relevant staff on the system to complete the necessary IQs.</p> <p>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 completes their own IQ under the access permissions granted by the applicant. Persons completing an IQ should be open and honest in answering the questions set out therein and should provide any information requested in a timely manner.</p> <p>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 Consumer Protection: Policy & Authorisations Division.</p>
5.2	<p>Please see a list of all potential PCF role holders in a Retail Credit Firm at the following link:</p> <p>http://www.centralbank.ie/regulation/processes/fandp/serviceproviders/Documents/List%20of%20Pre-Approved%20Controlled%20Functions.pdf</p>
5.3.1	No additional notes.
5.3.2	No additional notes.
5.4	No additional notes.
5.5	The description of responsibilities for each of the officers listed in section 5.4 (a)-(g) of the Application Form should disclose the main (5-6) responsibilities of each of the relevant officers.
5.6.1	<p>The Fitness and Probity Standards prescribe specific functions as Controlled Functions. These include individuals who exercise a significant influence on the conduct of the affairs of the financial service provider, monitor compliance or perform functions in a customer facing role. Please see the link below to the Central Bank's website for further details in this regard.</p> <p>http://www.centralbank.ie/regulation/processes/fandp/serviceproviders/Pages/default.aspx</p>
5.6.2	No additional notes.
5.7.1	<p>The Applicant is required to ensure that any Controlled Function role holders comply with their obligations under the Minimum Competency Requirements on an on-going basis. Please see the link below to the Minimum Competency Requirements section of the Central Bank's website for further details in this regard.</p> <p>http://www.centralbank.ie/regulation/processes/minimum-competency/Pages/default.aspx</p>
5.7.2	No additional notes.

Section 6: Shareholders and Qualifying Shareholders

Application Form Reference	
6.1	<p>The Applicant is required in this sub-section, to identify all persons (whether natural or legal) with a direct qualifying holding in the applicant. The applicant must also consider whether the legal owner of the direct qualifying holding is also the beneficial owner of that holding and where they are not the same person; consideration must also be given to whether the beneficial owner(s) of that direct qualifying holding is also a qualifying shareholder in the applicant.</p> <p>Where the beneficial owner referred to above falls within the definition of a qualifying shareholder, this must be highlighted and their details provided in the table contained in this section of the Application Form together with the requisite shareholder information requested in respect of that person as set out in Appendix 2 of the Application Form.</p>
6.2	<p>The Applicant is required in this is sub-section to identify all persons (whether natural or legal) with an indirect qualifying holding in the applicant. The applicant must also consider whether the legal owner of the indirect qualifying holding is also the beneficial owner of that holding and where they are not the same person, consideration must also be given to whether the beneficial owner(s) of the indirect qualifying holding is also a qualifying shareholder in the applicant.</p> <p>Where the beneficial owner referred to above falls within the definition of a qualifying shareholder, this must be highlighted by providing their details in the table contained in this section of the Application Form together with the requisite shareholder information requested in respect of that person as set out in Appendix 2 of the Application Form.</p>
6.3	No additional notes.
6.4	The Applicant should ensure that all of the required qualifying shareholder information set out in Appendix 2 of the Application Form is provided in respect of both its direct and indirect qualifying shareholders.

Section 7: Regulatory Background

Application Form Reference	
7.1 – 7.17	The Applicant must state, to the best of its knowledge and belief, whether it has ever been subject to those actions listed. In any case where the answer is 'yes', full details must be provided on a separate sheet and be referenced to the appropriate question.
7.18-7.23	The Applicant must state, to the best of its knowledge and belief, whether it and (in so far as it is aware) its qualifying shareholders, subsidiaries, related undertakings, associated undertakings, directors, partners or employees have ever been subject to those actions listed. In any case where the answer is 'yes', full details must be provided on a separate sheet and be referenced to the appropriate question.

Section 8: Compliance with Financial Services Legislation

Application Form Reference	
8.1	No additional notes.
8.2	The Applicant firm is required to undertake an assessment of its regulatory requirements under financial services legislation. This assessment should involve an evaluation as to whether the applicant is currently in a position to meet each of the regulatory requirements applicable to its business under financial services legislation. Once this assessment has been conducted, where there are gaps regarding the applicant's ability to comply with the applicable requirements of financial services legislation, this should be rectified in order to enable the applicant to provide confirmation that it is in a position to comply with each of the applicable requirements of financial services legislation.
8.3	The confirmation required should be provided in the form of board minutes for companies or a declaration signed by each partner or the sole trader, evidencing that the required assessment was conducted to the satisfaction of the applicant and that the applicant is satisfied that it is in a position to meet the applicable requirements of financial services legislation.

Section 9: Declaration

Application Form Reference	
	The Applicant is required to complete the declaration. Ensure that at least two directors, (one in the case of a single director company) partners including the Managing Director/Partner, or the Sole Trader sign the declaration(s) to the application form. Please note that only original signatures will suffice.

Appendix 1 – Section Requirements for Programme of Operations and Business Plan

Application Form Reference	
	No additional notes.

Appendix 2 – Qualifying Shareholder Information

Application Form Reference	
Individuals (a)	If the proposed Qualifying Shareholder is also a proposed Pre-Approved Controlled Function Holder, it is required to complete the online Individual Questionnaire (IQ) via the Central Bank's ONR System. If the proposed Qualifying Shareholder is not a Pre-Approved Controlled Function Holder, it is required to complete a specific paper based IQ for non-Pre-approved Controlled Function holders. This IQ is available at the following link .

Trusts (c), (d) & (e)	If the proposed Qualifying Shareholder is also a proposed Pre-Approved Controlled Function Holder, it is required to complete the online Individual Questionnaire (IQ) via the Central Bank's ONR System. If the proposed Qualifying Shareholder is not a Pre-Approved Controlled Function Holder, it is required to complete a specific paper based IQ for non-Pre-approved Controlled Function holders. This IQ is available at the following link .
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5. Application Processing

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:

RCF Authorisation Team, Consumer Protection: Policy & Authorisation, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2.

The electronic version can be included along with this paper copy or be sent to: rcf@centralbank.ie

The Key Stages in the Application Process

Stage 1 - Acknowledgement

The Central Bank will acknowledge receipt of an Application for Authorisation submitted by the firm 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 submission of IQs and the Garda Vetting Form. 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 submission of IQs and the Garda Vetting Form; or
- II. Advise the applicant that the application does not contain sufficient material to proceed to the submission of IQs and the Garda Vetting Form 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 – Submission of IQs and Garda Vetting Form

Where sufficient information has been received, as outlined in Stage 2(I) above, the application will proceed to the submission of IQs and the Garda Vetting Form. Log-on details to the ONR will be issued to the applicant and the applicant will be required to complete and submit all required IQs and Garda Vetting Form.

Applicants will be advised that the application will progress to the assessment phase once all required IQs and the Garda Vetting Form have been submitted and are deemed to contain all the key information and documentation required.

The applicant will then have **20 working days** to submit all IQs and the Garda Vetting Form. If all required IQs and the Garda Vetting Form are not submitted within 20 working days, the application will be deemed dormant and withdrawn and will be returned to the applicant. Any subsequent application will be considered a new application and the application process commences again at Stage 1.

Stage 4 - Assessment Phase

Where an application submission, all relevant IQs and the Garda Vetting Form (where relevant) have been received and have been deemed to contain all the key information and documentation required, as outlined in Stages 2(I) and 3 above, the Central Bank will then proceed to the assessment phase of the application process. In the assessment phase, 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 5 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 5 – 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 6 – 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.

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 firm has any queries in respect of the application process, it can contact the Central Bank at rcf@centralbank.ie.

Optional Pre-Application Meeting

The Central Bank offers the facility of a **single optional pre-application** meeting to firms to answer specific questions about any aspect of the application process and completing the application form. Please note that the Central Bank recommends that firms 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.

www.centralbank.ie rcf@centralbank.ie



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