



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Authorisation Requirements and Standards for Credit Servicing Firms

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

January 2019

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1 Introduction

The Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 ('the 2015 Act') was enacted on 8 July 2015. The 2015 Act amended Part V of the Central Bank Act, 1997 ('the Act') in order to introduce a regulatory regime for a new type of entity called a 'Credit Servicing Firm' and the activity of credit servicing, as defined in the Act (as amended by the 2015 Act) became a regulated activity in Ireland.

The Consumer Protection (Regulation of Credit Servicing Firms) Act 2018 ('the 2018 Act') was enacted on 24 December 2018, and commenced on 21 January 2019. The 2018 Act in particular amends Part V of the Act in order to expand the definition of credit servicing, to include holding the legal title to credit granted under a credit agreement and associated ownership activities.

Credit Servicing Firms are subject to the provisions of Irish financial services law that apply to regulated financial service providers. This ensures that relevant borrowers, whose loans are sold to another firm, maintain the same regulatory protections they had prior to the sale, including under the various statutory codes issued by the Central Bank of Ireland ('the Central Bank').

The Central Bank is the competent authority in Ireland for the purposes of the Act and has implemented a regulatory framework for Credit Servicing Firms. In this regard, the Central Bank will exercise its statutory "gatekeeper" role to permit or refuse an applicant Credit Servicing Firm, through rigorous assessment of applications against applicable regulatory standards, so as to mitigate the risk that firms could pose harm to customers, counterparties and the wider market once they are authorised.

Part A of this document sets out the authorisation requirements that must be complied with by all Credit Servicing Firms (i.e. those firms who have been granted an authorisation as a Credit Servicing Firm prior to the commencement of the 2018 Act, a person seeking authorisation as a Credit Servicing Firm pursuant to the transitional arrangements provided for under Section 34FA(1) of the Act¹, and an applicant seeking authorisation as a Credit Servicing Firm but which cannot avail of the aforementioned transitional arrangements).

Part B of this document sets out the additional authorisation requirements that must be complied with by those Credit Servicing Firms which hold the legal title to credit granted under a credit agreement and associated ownership activities (i.e. those firms who carry on the newly regulated credit servicing activities falling within the scope of the Act).

¹ For persons who were carrying on the business of a Credit Servicing Firm (in so far as that business relates to the newly regulated credit servicing activities now falling within the scope of the Act) immediately prior to the commencement of the 2018 Act.

The requirements set out in Parts A and B of this document are imposed on Credit Servicing Firms (as appropriate) as a condition of authorisation and must be complied with on an on-going basis. Please note that each Credit Servicing Firm should refer to the conditions of authorisation, which are annexed to its authorisation, for complete details of the conditions imposed on its authorisation.

Part C of this document lists certain other regulatory requirements which apply to all Credit Servicing Firms and which Credit Servicing Firms should be aware of in relation to the provision of Credit Servicing. This list is not exhaustive.

It is the responsibility of each individual regulated entity to ensure compliance with all aspects of applicable legislation and other regulatory requirements. Firms are advised to obtain their own independent legal advice if they are unclear in relation to any of their compliance obligations.

Part A: Authorisation Requirements

Part A of this document applies to all Credit Servicing Firms
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2 General Authorisation Requirements

- 2.1 The obligation to hold an authorisation as a Credit Servicing Firm applies to all persons who provide Credit Servicing as defined in Section 28 of Part V of the Act.
- 2.2 Applicants are required to demonstrate how they meet each of the Authorisation Requirements and Standards listed below in order to be granted an authorisation.
- 2.3 A Credit Servicing 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:
- (a) where the mind and management of the Credit Servicing Firm is located;
 - (b) where key decisions regarding the direction of the credit servicing 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 Credit Servicing Firm will engage with borrowers including, in particular, the practical facilities that will be made available to borrowers in arrears to resolve their arrears.

Adequate arrangements in this regard are required in order to ensure the proper and orderly regulation and supervision of persons authorised to carry on credit servicing.

3 Professional Indemnity Insurance

- 3.1 Pursuant to section 33A(5) of the Act, a Credit Servicing Firm is required to have in place professional indemnity insurance ('PII'), against liability arising from professional negligence, covering its credit servicing business in accordance with paragraph 3.2 below.

- 3.2 The amount insured shall at a minimum provide cover for €1.25 million per claim and €1.85 million in aggregate cover in a single policy period with regard to the credit servicing business of the Credit Servicing Firm.
- 3.3 The PII requirement does not apply to any credit servicing business conducted on behalf of a regulated financial service provider who is authorised to provide credit in the State by the Central Bank or an authority that performs functions in an EEA country that are comparable to the functions performed by the Central Bank.
- 3.4 A Credit Servicing Firm is required to provide the Central Bank with a written confirmation from the insurer that it has in place a policy of PII which covers its activities as a Credit Servicing Firm and meets the cover specified in paragraph 3.2 above. This must be provided to the Central Bank prior to authorisation. Evidence of the PII cover in place will then be required to be made available to the Central Bank upon request thereafter. Where the policy of PII includes an excess amount payable by the Credit Servicing Firm, the Credit Servicing Firm is required to be in a position to demonstrate to the Central Bank that it has the financial resources to pay this excess amount, without it impacting on its financial viability and its ability to continue to operate as a Credit Servicing Firm.

4 Organisation and Management

- 4.1 A Credit Servicing Firm is required to demonstrate that it is in a position to conduct its affairs in a manner that ensures that the best interests of its customers are protected.
- 4.2 A Credit Servicing Firm is required to have robust governance arrangements in place including:
- (a) a clear organisational structure with well defined, transparent and consistent lines of responsibility and accountability;
 - (b) effective processes to identify, manage, monitor and report the risks it is or might be exposed to including conduct/consumer protection risks;
 - (c) effective internal control mechanisms to mitigate risk;
 - (d) adequate systems and controls to monitor compliance with its internal policies and legislative and other regulatory requirements; and
 - (e) sound administrative and accounting procedures.
- 4.3 A Credit Servicing Firm may be required, in advance of authorisation or thereafter, to procure a review of its operations, systems and controls by a third party of relevant expertise in order

to provide the Central Bank with the necessary assurance that the requisite operations, systems and controls are in place and functioning as described.

- 4.4 A Credit Servicing Firm is required to have adequate staffing in place and to ensure that relevant members of staff are fit and proper and have appropriate experience and skills, including, in accordance with Part 3 of the Central Bank Reform Act 2010.
- 4.5 A Credit Servicing Firm is required to maintain sufficient compliance arrangements to ensure that it complies with all relevant financial services legislation and regulatory requirements to which it is subject and, to that end, it is required to ensure:
- (a) that it has a compliance function with the necessary authority, resources, expertise and access to all relevant information, with regard to all risks relevant to the firm;
 - (b) that a Compliance Officer is appointed who is responsible for the compliance function and for all compliance reporting;
 - (c) that the duties and responsibilities of those with responsibility for compliance activities are clearly defined and documented (both within the compliance function and within business units, as applicable);
 - (d) that the relevant persons with responsibility for compliance are not involved in the performance of services or activities they monitor;
 - (e) that the proposed reporting lines/functional relationships between the Compliance Officer and the firms' senior management and board of directors (including the frequency and format of reporting thereof) are clearly defined; and
 - (f) that compliance with any requirements of financial services legislation, including, but not limited to, the Consumer Protection Code 2012, the Code of Conduct on Mortgage Arrears 2013, the Central Bank (Supervision and Enforcement) Act 2013 (Section 14) (Lending to Small and Medium-Sized Enterprises) Regulations 2015, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) Minimum Competency Regulations 2017 and the Minimum Competency Code 2017, form a key part of the Credit Servicing Firm's compliance monitoring responsibilities.
- 4.6 A Credit Servicing Firm is required to have an internal audit function; (a) to provide for independent internal oversight of the firm's activities and (b) to evaluate and improve the effectiveness of the Credit Servicing Firm's risk management, internal controls and governance processes.

4.7 A Credit Servicing Firm is required to:

- a) demonstrate that it has sufficient resources (including financial resources) to conduct its business in the manner provided for in its application for authorisation and in accordance with financial services legislation, including the capacity to withstand potential shocks such as the loss of a key client/portfolio or the occurrence of a significant business continuity event;
- b) establish accounting policies and procedures which enable it, at the request of the Central Bank, to deliver in a timely manner to the Central Bank, financial reports which reflect a true and fair view of its financial position and which comply with all applicable accounting standards and rules;
- c) establish and maintain adequate processes for the timely resolution of errors and complaints;
- d) be aware of and monitor, on an on-going basis, all risks to its business and maintain adequate technical, organisational and procedural safeguards;
- e) establish, implement and maintain systems and procedures that are adequate to safeguard the confidentiality, integrity and availability of information;
- f) establish and maintain effective business continuity and disaster recovery procedures; and
- g) have constituting documentation sufficiently wide to permit the Credit Servicing Firm to conduct its credit servicing business.

5 IT Systems

5.1 A Credit Servicing Firm is required to ensure that it has adequate IT systems in place to conduct its credit servicing business.

5.2 A Credit Servicing Firm is required:

- (a) to demonstrate how its IT systems are capable of meeting any relevant obligations under financial services legislation, including compliance with any applicable Codes of Conduct;

- (b) to have adequate governance/controls/safeguards in place to mitigate risks associated with its IT systems;
- (c) to establish and maintain effective business continuity and disaster recovery procedures in respect of its IT systems; and
- (d) to ensure that systems and controls in place are appropriate to safeguard the confidentiality, integrity and availability of information.

6 Relationship with the Central Bank

6.1 General

- (a) A Credit Servicing Firm shall not in any circumstances provide the Central Bank with;
 - (i) false or misleading statements concerning the operation of the Credit Servicing Firm; or
 - (ii) information which it knows or ought to know to be false or misleading.
- (b) Where any change affects the accuracy of information and evidence provided by a Credit Servicing Firm in its application for authorisation in accordance with these requirements, a Credit Servicing Firm is required, without undue delay, to inform the Central Bank accordingly;
- (c) A Credit Servicing Firm is required to notify the Central Bank in advance of a new loan portfolio or client being taken on which results in it conducting credit servicing activities. This notification is not required in circumstances where the credit servicing is being conducted on behalf of a regulated financial service provider authorised to provide credit in the State by the Central Bank or an authority that performs functions in an EEA country that are comparable to the functions performed by the Central Bank;
- (d) A Credit Servicing Firm is required to be open and cooperative in its dealings with the Central Bank. This requirement includes, but is not limited to, the requirement to notify the Central Bank as soon as it becomes aware of:
 - (i) any breaches of these requirements or of any other legal requirements applicable to the firm that may have occurred;
 - (ii) the commencement of any legal proceedings by or against the Credit Servicing Firm which is either related to financial services legislation or which could potentially impact on the firm's ability to trade as an on-going concern; or

- (iii) any situations which have impacted or have the potential to impact significantly on the operation of the Credit Servicing Firm or its compliance or ability to comply with financial services legislation;
- (e) A Credit Servicing Firm is required to obtain the prior approval of the Central Bank in respect of any proposed change of company name or business name; and
- (f) In accordance with Section 36 of the Act, if a Credit Servicing Firm decides to cease providing credit servicing it is required to request, in writing, the revocation of its authorisation from the Central Bank without delay. The request for revocation of authorisation must clearly set out the rationale for seeking that revocation, and must include a plan for the orderly wind-down of the business.

6.2 Audited Accounts and On-going Reporting

- 6.2.1 A Credit Servicing Firm is required to make available audited accounts and any applicable auditor's reports to the Central Bank upon request.
- 6.2.2 A Credit Servicing Firm is required to comply with such reporting requirements as the Central Bank may impose from time to time.

7 Ownership

- 7.1 A Credit Servicing Firm is required to notify the Central Bank in respect of any proposed material change of ownership of the Credit Servicing Firm i.e. changes in direct and indirect qualifying shareholders.
- 7.2 The Central Bank considers that a material change in ownership occurs where the change would result in the proportion of voting rights or capital held by a person or more than one person acting in concert reaching or exceeding 10%, 20%, 33% or 50% or resulting in a Credit Servicing Firm becoming a subsidiary of the acquirer.
- 7.3 A Credit Servicing Firm is required to notify the Central Bank in respect of any transfer of shares, which would result in the transferee controlling more than 10% of the shares, voting rights attaching to shares or other interests in the Credit Servicing Firm.

- 7.4 Where a shareholding which is registered in the name of a nominee constitutes more than 10% of shares or of the voting rights attaching to shares in a Credit Servicing Firm, the ultimate beneficial ownership of shares so held must be notified to the Central Bank.
- 7.5 A Credit Servicing Firm is required to notify the Central Bank where a direct or indirect disposal of shares occurs by a person or more than one person acting in concert which would result in the proportion of voting rights or capital held by the person or persons falling below 10%, 20%, 33% or 50% or such that a Credit Servicing Firm would cease to be a subsidiary of the disposer.
- 7.6 Notification of changes of ownership should be made forthwith upon the Credit Servicing Firm becoming aware of a proposed change. Where this is not possible due to circumstances outside the control of the Credit Servicing Firm, the notification should be made forthwith upon the Credit Servicing Firm becoming aware of the change in ownership.

8 Outsourcing

- 8.1 In considering any application for authorisation, the Central Bank will have regard to the purpose of the Act, which is to ensure that borrowers whose loans are sold by a regulated entity to another party maintain the same regulatory protections as they had prior to the sale, including under the various Central Bank Statutory Codes of Conduct.
- 8.2 A Credit Servicing Firm is required to structure, organise and resource its business to ensure that it is in a position to demonstrate that it can comply with applicable regulatory requirements. This includes, without limitation, ensuring that adequate and effective control of the firm rests in the State, having all records available to the Central Bank in the State and not outsourcing activities to any extent that would impact on its ability to meet all applicable regulatory requirements.
- 8.3 A Credit Servicing Firm is required to notify the Central Bank in advance where it proposes to outsource any **important operational function** relating to the provision of credit servicing.
- 8.4 A Credit Servicing Firm is required to notify the Central Bank as soon as possible where a material change occurs or is due to occur in an outsourcing arrangement governing an **important operational function** relating to the provision of credit servicing.

8.5 Where a Credit Servicing Firm proposes to outsource an **important operational function**, it is required to ensure that the:

- (a) outsourcing does not result in the delegation of its responsibility or accountability for the operational function which has been outsourced;
- (b) obligations of the Credit Servicing Firm towards its customers under Part V of the Act will continue to be complied with at all times; and
- (c) outsourcing of operational functions will not be undertaken in such a way as to impair the quality of the Credit Servicing Firm's internal controls and the ability of the Central Bank to monitor the Credit Servicing Firm's compliance with its regulatory obligations.

8.6 A Credit Servicing Firm is required to ensure that it has adequate internal controls in place and that it is satisfied regarding the internal controls in place in the service provider such that:

- (a) the Credit Servicing Firm must properly supervise the carrying out of the outsourced functions and adequately manage the risks associated with the outsourcing;
- (b) the Credit Servicing Firm must take appropriate action if it appears that the service provider may not be carrying out the outsourced functions effectively and in compliance with applicable laws and regulatory requirements;
- (c) the Credit Servicing Firm must retain the necessary expertise to supervise the outsourced functions effectively and manage the risks associated with the outsourcing and must supervise those functions and manage those risks;
- (d) the service provider will disclose to the Credit Servicing Firm any development that may have a material impact on its ability to carry out the outsourced functions effectively and in compliance with applicable laws and regulatory requirements;
- (e) the Credit Servicing Firm must be able to terminate the arrangement for outsourcing where necessary without detriment to the continuity and quality of its provision of services to its customers;
- (f) the service provider will, when required, cooperate with the Central Bank in connection with the outsourced activities;
- (g) the Credit Servicing Firm, its auditors and the Central Bank must have effective access to data related to the outsourced activities, as well as to the business premises of the service provider;

- (h) the service provider will protect any confidential information relating to the Credit Servicing Firm or its customers;
- (i) the Credit Servicing Firm and the service provider must establish, implement and maintain a contingency plan for disaster recovery and periodic testing of backup facilities, where that is necessary having regard to the function, service or activity that has been outsourced;
- (j) the respective rights and obligations of the Credit Servicing Firm and of the service provider shall be clearly allocated and set out in a written agreement;
- (k) a Credit Servicing Firm is required to make available on request to the Central Bank all information, including but not limited to books, records and documentation, necessary to enable the Central Bank assess compliance with the firm's obligations under Part V of the Act, any other designated enactment or designated statutory instrument and any conditions of authorisation imposed on the Credit Servicing Firm; and
- (l) a Credit Servicing Firm is required to notify a customer in writing in advance of any third party contacting the customer on behalf of the Credit Servicing Firm to advise that such third party acts on behalf of the Credit Servicing Firm and may contact the customer.

9 Relationship with Loan Owners

9.1 A Credit Servicing Firm is required to inform, in writing, any holder of legal title over loans for whom it acts, of the Credit Servicing Firm's obligations under financial services legislation, including any statutory Codes of Conduct that apply.

9.2 A Credit Servicing Firm is required to demonstrate how its agreement in place with the loan owner enables it to fully comply with its obligations under financial services legislation.

10 Other Places of Business

10.1 A Credit Servicing Firm is required to seek the prior approval of the Central Bank before operating from a place of business other than its head office.

10.2 A Credit Servicing Firm intending to operate from another place of business is required to notify the Central Bank, at least 14 days in advance, of the nature of the services the **other place of**

business will provide and the name(s) of those responsible for the management of the other place of business.

10.3 A Credit Servicing Firm is required to notify the Central Bank, at least 14 days in advance, of the proposed closure of another place of business and the reason for such closure.

11 Record Keeping

11.1 Pursuant to Section 36F of the Act, the Central Bank requires a Credit Servicing Firm to keep appropriate records regarding its credit servicing business. Such records include but are not limited to:

- (a) Agreements in place with loan owners;
- (b) Customer records, including e.g. mortgage deeds, copies of loan agreements etc. as applicable;
- (c) Communications by the Credit Servicing Firm or its agents with its customers;
- (d) All records or evidence required to be retained under financial services legislation;
- (e) Board Minutes;
- (f) Financial Audit Reports;
- (g) Internal Audit Reports;
- (h) Compliance Reports; and
- (i) Complaints handling records.

Appropriate records are required to be kept for at least six years from:

- (i) in the case of (a) to (d), the date on which the Credit Servicing Firm ceases to provide credit servicing to the loan owner or the date of the last interaction with its customer, whichever is the later;
- (ii) in the case of (e), the date of the Board meeting;
- (iii) in the case of (f) to (h), the date of the relevant report; and
- (iv) in the case of (i), the date of the closing of the complaint.

A Credit Servicing Firm is required to keep all records required by these rules and other financial services legislation in the State and pursuant to Section 36F(1)(b) of the Act, the Credit Servicing Firm is required to notify the Central Bank in writing of the address of the office or offices where those records are kept.

Part B: Additional Authorisation Requirements

Part B of this document only applies to Credit Servicing Firms which hold the legal title to credit granted under a credit agreement and associated ownership activities

12 Additional Authorisation Requirements

12.1 Where a Credit Servicing Firm holds the legal title to credit granted under a credit agreement and associated ownership activities, in addition to the requirements set out in (a) to (e) in paragraph 4.2 in Part A of this document, the following requirement also applies:

- (f) effective processes for the development, implementation and oversight of the firm's overall strategy for the management and administration of its portfolio of credit agreements and the maintenance of control over key decisions relating to such portfolio to ensure that it complies with all relevant financial services legislation and regulatory requirements.

12.2 Where a Credit Servicing Firm holds the legal title to credit granted under a credit agreement and associated ownership activities, the requirements set out in paragraphs 9.1 and 9.2 in Part A of this document do not apply.

13 Legislative basis for the Authorisation Requirements and Conditions imposed by the Central Bank and consequences of non-compliance

13.1 An Offence to provide Credit Servicing without an Authorisation

Section 29 of the Act provides that it is a criminal offence to carry on credit servicing unless the person is the holder of an authorisation. Section 36K provides that if a body corporate commits an offence under Part V of the Act, each person who was, at the time the offence is found to have been committed, an officer of the body commits an offence, unless the person establishes that the body committed the offence without the person's knowledge, or although the person did have that knowledge, the person took all reasonably practicable steps to prevent the commission of the offence.

13.2 Legislative Basis for Authorisation Requirements

Section 30 of the Act provides that a person who wishes to carry on credit servicing can apply to the Central Bank for an authorisation to carry on such a business and the application must be in the form specified by the Central Bank and must contain such information and be accompanied by such documents as the Central Bank requests.

Section 31 prescribes the grounds upon which the Central Bank can refuse an application for authorisation, including, that the applicant has failed to satisfy the Central Bank that the applicant is, or will be able, to properly fulfil the obligations imposed by or under Part V of the Act or any other designated enactment or designated statutory instruments².

If the Central Bank grants an application for authorisation, it will impose each of the requirements contained in Part A and Part B (where relevant) of this document, and such other requirements as it may specify as conditions pursuant to Section 33 and 33A of the Act, on the authorised Credit Servicing Firm.

13.3 Legislative Basis for the imposition of Conditions

Under Section 33A of the Act, the Central Bank may impose whatever conditions or requirements it considers appropriate relating to the proper and orderly regulation and supervision of persons carrying on credit servicing and the protection of their customers or potential customers. The applicable conditions will be specified in one or more documents annexed to the authorisation granted, in accordance with Section 33(2) of the Act.

13.4 Potential Consequences of Non-Compliance

A contravention of any provision of the Act or of any condition or requirement imposed under a provision of the Act or of any provision of a designated enactment or designated statutory instrument is a prescribed contravention for the purposes of Part IIIC of the Central Bank Act 1942 and, accordingly, the authorised Credit Servicing Firm and/or persons concerned in its management may be subject to the Administrative Sanctions Procedure of the Central Bank or the revocation of its authorisation in the event of committing such a contravention.

² A designated enactment or designated statutory instrument are those provisions of legislation listed in Schedule 2 of the Central Bank Act 1942 (as amended).

Section 35 of the Act provides that it is a criminal offence for the holder of an authorisation to fail to comply with the requirements imposed on holders of authorisations by Part V of the Act, the conditions of the authorisation and/or the requirements (if any) imposed by regulations in force under Part V of the Act. Section 36K of the Act provides that if a body corporate commits an offence under Part V of the Act, each person who was, at the time the offence is found to have been committed, an officer of the body commits an offence, unless the person establishes that-

- the body committed the offence without the person’s knowledge; or
- although the person did have that knowledge, the person took all reasonably practicable steps to prevent the commission of the offence.

Pursuant to Section 36A(1)(d) of the Act, the Central Bank may revoke an authorisation if it is satisfied on reasonable grounds that the holder of the authorisation has contravened or is contravening, or has failed or is failing to comply with a provision of Part V of the Act or any other designated enactment or designated statutory instrument, a condition of the authorisation or a requirement imposed by or under Part V of the Act or any other designated enactment or designated statutory instrument. Section 36A of the Act sets out a comprehensive list of the grounds upon which the Central Bank may revoke an authorisation.

13.5 Amendments to Authorisations

Pursuant to Section 34 of the Act, the Central Bank may, from time to time, amend an authorisation granted to a person to carry out Credit Servicing -

- (a) by varying any of its conditions;
- (b) by replacing or revoking an existing condition, or
- (c) by adding a new condition

but only after giving to the holder of that authorisation a notice in writing of its intention to do so and an opportunity to be heard by, or to make written representations to, the Central Bank in relation to the proposed amendment.

14 Definitions

14.1 Important operational function means an operational function where a defect or failure in its performance would materially impair -

- (a) the continuing compliance of the Credit Servicing Firm concerned with the requirements of its authorisation or its other obligations;

- (b) its financial performance; or
- (c) the soundness or continuity of its credit servicing activities.

14.2 **Other place of business** means a place of business other than the head office which is a part of a Credit Servicing Firm, which has no separate legal personality and which carries out directly some or all of the services inherent in the business of a Credit Servicing Firm.

Part C: Other Regulatory Requirements

Part C of this document applies to all Credit Servicing Firms
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This Part lists certain other legal and regulatory requirements of which the Credit Servicing Firm should be aware in relation to the provision of credit servicing.

This list is not exhaustive and it is the responsibility of each individual regulated entity to obtain independent legal advice and to ensure compliance with all aspects of applicable legislation and other regulatory requirements.

It should be noted that breaches of these requirements may amount to prescribed contraventions for the purposes of Part IIIC of the Central Bank Act 1942 and/or to criminal offences under the relevant legislation and accordingly can attract the sanctions provided for in Part IIIC of the Central Bank Act 1942 and/or under the relevant legislation. Furthermore, a contravention of these requirements may be grounds for the revocation of the Credit Servicing Firm's authorisation pursuant to Section 36A of the Act.

15 Additional Legal and Regulatory Requirements

15.1 Consumer Protection Code 2012

A Credit Servicing Firm must adhere to all applicable provisions of the Consumer Protection Code 2012.

15.2 **Code of Conduct on Mortgage Arrears 2013**

A Credit Servicing Firm must adhere to all applicable provisions of the Code of Conduct on Mortgage Arrears 2013.

15.3 **Central Bank (Supervision and Enforcement) Act 2013 (Section 14) (Lending to Small and Medium-Sized Enterprises) Regulations 2015**

A Credit Servicing Firm must adhere to all applicable provisions of the Central Bank (Supervision and Enforcement) Act 2013 (Section 14) (Lending to Small and Medium-Sized Enterprises) Regulations 2015.

15.4 **Central Bank Act 1942**

An annual levy may be payable by a Credit Servicing Firm calculated in accordance with Regulations made pursuant to Section 32D of the Central Bank Act 1942.

15.5 **Fitness & Probity Regime**

Persons exercising pre-approval controlled functions and controlled functions in Credit Servicing Firms should note the provisions of Part 3 of the Central Bank Reform Act 2010 and the Regulations and Standards issued under that Part 3. Before a Credit Servicing Firm can appoint a person to a pre-approval controlled function, the Central Bank must have approved the appointment in writing. Credit Servicing Firms are also responsible for ensuring that staff performing pre-approval controlled functions and controlled functions meet the Fitness and Probity Standards both on appointment to such functions and on an on-going basis. Firms are required to make an annual pre-approval controlled function confirmation to the Central Bank.

15.6 **The Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) Minimum Competency Regulations 2017 and Minimum Competency Code 2017**

A Credit Servicing Firm must consider whether individuals employed or acting on its behalf are engaged in any activities which fall within the scope of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) Minimum Competency Regulations 2017 and Minimum Competency Code 2017 and, if so, it must adhere to all applicable provisions of these Regulations and Code.

15.7 Obligations of the auditor of a regulated financial service provider to provide a report to the Central Bank in certain circumstances:

A Credit Servicing Firm should note that Part IV of the Act imposes obligations on the auditor of a Credit Servicing Firm.

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