21 November 2014

Re: Publication of Additional Consumer Protection Requirements for Debt Management Firms

Dear Sir/Madam

As you will know, as a regulated entity, debt management firms are subject to the requirements of the Consumer Protection Code 2012 (the “2012 Code”). The Central Bank of Ireland (the “Central Bank”) has now completed its assessment of whether the provisions of 2012 Code are sufficient for debt management services and has decided to introduce additional Consumer Protection Requirements for Debt Management Firms ("Additional Requirements"). These Additional Requirements are now contained in a new Chapter 13 to the 2012 Code, along with certain other consequential and related changes to the rest of the Code. In addition, Appendix D of the 2012 Code now contains information which Debt Management firms must provide to consumers, and Appendix E of the 2012 Code contains the Standard Financial Statement which must be used by debt management firms when they are gathering financial information from consumers.

The 2012 Code (including these Additional Requirements) is imposed under Section 117 of the Central Bank Act, 1989 and the Additional Requirements come into effect on 1 January 2015. Contraventions of the 2012 Code may be subject to the imposition of administrative sanctions.

These new requirements are in addition to the existing requirements, with which debt management firms must continue to comply when providing debt management services. In relation to the Additional Requirements, we expect regulated entities to take immediate steps towards implementing the necessary changes to their systems, procedures and documents and providing relevant staff training. During the six month period ending 30 June 2015, we will be cognisant, in monitoring compliance with the 2012 Code, of issues relating to systems development or other technical difficulties and required staff training. However, there are many provisions in Chapter 13 of the 2012 Code that will not require significant change and regulated entities should move to implement the Additional Requirements as
soon as possible, but no later than 1 January 2015. In particular, we expect regulated entities to move immediately to implement the new restrictions relating to recommending or arranging credit (provision 13.4) and the payment for client leads (provision 13.6), as well as the requirement to use the Standard Financial Statement (provision 13.10).

Compliance with the existing requirements of the 2012 Code and the implementation of changes necessary to comply with the provisions in Chapter 13 of the 2012 Code will be assessed during the inspection programme recently commenced by the Central Bank in respect of Debt Management firms.

Our overriding objective continues to be the strengthening of the consumer protection framework, the introduction of new measures which will benefit consumers in their dealings with regulated firms and the conduct of supervisory work to assess whether regulated firms are complying with the conditions of their authorisation.

The revised 2012 Code and feedback document are now available on our website http://www.centralbank.ie/regulation/processes/consumer-protection-code/Pages/codes-of-conduct.aspx.

If you have any queries in relation to the 2012 Code, please email code@centralbank.ie.

Yours sincerely,

[Signature]

Head of Consumer Protection
Banking, Insurance, Investments and Policy